How to Solve Relief Problems (Page 3)

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The Nation's Business

Britain Seeks Skilled Workers From Canada

But We Need Them

Textile Counsel Throws Mud

Ontario Heads For Lower Taxes

Facing Up To Relief Problems

Ontario Exports Wood Wastefully

We Need Our Skilled Men

THERE is a distinct shortage of skilled mechanics in Great Britain. A number of Canadian workers have recently gone back to Britain to find profitable employment. Old Country factories, pressed with munitions and airplane orders, will take all trained workmen who offer themselves.

Canada must not let these men go. We may be having difficulty in finding jobs for all our unskilled workers in Canada, but we are very close to complete employment for all men of special ability. In some trades there is already a shortage of workers. A construction boom in Canada would find the country practically bare of unemployed mechanics.

* * *

HOW is it that Britain and Canada report enormous unemployment rolls and yet are either experiencing or threatened with a shortage of skilled craftsmen. The answer lies partly in the fact that unemployment figures are misleading in both countries. They include too many "unemployables." Another answer lies in the fact that especially depressed industries account for a large number of the jobless men, who are in the wrong places or who have the wrong training to fit into the jobs that are available. When the results of Canada's census of unemployed are available we may have a better idea of the character of the problem.

When a shortage of skilled workers is reported one wonders what our technical schools have been doing all these years of prosperity and depression. Certainly there is need for a speeding up of vocational training of a practical character.

Vocational training in the schools can be effectively supplemented by an apprenticeship training in shops.

* * *

THE paradox of an impending shortage of skilled workers and a huge roster of unemployed is one to which the National Employment Commission will be required to devote a great deal of attention in coming weeks and months.

In the meantime let us not lose our skilled workers. We shall need them all in the years of prosperity that lie immediately ahead. If Britain has a shortage of mechanics and machinists, let her buy from Canadian factories the products she needs. She ought not to take our best men and leave us with our unemployables.

* * *

Mr. McRuer Gets Dirty

LAST week The Financial Post charged that J. C. McRuer, counsel for the Turgeon Textile Commission, was unfair in his manner of bringing out evidence relating to the "profits" of companies in the industry.

This week Mr. McRuer replied that he had made every effort to be fair. And speaking of The Post's editorial, he added, according to newspaper reports:

"I trust it's not one of the efforts of the publicity division of the Textile Institute."

* * *

MR. McRUER could not possibly have said anything better calculated to back up The Post's charges that he is unfair. The Post writes its own editorials; it wrote the one that Mr. McRuer complains of. Mr. McRuer, of course, does not say directly that the "publicity division of the Textile Institute" wrote it. But he throws out a casual hint, knowing full well that it will catch the newspaper headlines and leave a false impression in the minds of the public.

He has been doing the same thing in regard to the affairs of the companies under investigation. It is mean and underhand tactics of this kind that The Financial Post complains of.

* * *

Ontario Sees Lower Taxes Soon

MOST encouraging is the progress made by the Ontario Government toward balancing its budget before embarking on further expenditures.

Balanced governmental budgets are recognized as one of the first needs of this country if financial stability is to be restored. The effort of the Ontario Government is deserving of the commendation of every citizen.

The improvement of $17 millions in the budget position of the province for the first half of the current fiscal year is encouraging. The government is looking forward to a surplus on the year's operations. The improvement for the half year was due to an increase of $10 millions

(Continued on page 2, col. 3)

Albertans Not so Sure Of Social Credit Now

Aberhart Censure Brings First Signs of Uncertainty

WARNS FOLLOWERS

From Our Own Correspondent

EDMONTON.—Censure from Mr. Aberhart of his followers for failure to make a success of prosperity certificates has produced the first signs of uncertainty among Social Crediters about the ultimate result of their government's policies.

When Mr. Aberhart conceded the failure of scrip in a speech at Coronation, Alta., on Oct. 15, he admitted a fact generally recognized by the public, and established by 9 weeks experience with prosperity certificates.

When he added in blunt terms that if the people could not do better with Alberta credit than they had done with scrip, he might have to give up the credit scheme altogether, he created dismay in the hearts of hundreds of his followers who were satisfied they were doing all even Mr. Aberhart could expect to speed the success of his plans.

In this incident there is more than ordinary significance, for in pricking the bubble himself of his own infallibility, Mr. Aberhart unwittingly may have marked the beginning of the deterioration of the Social Credit movement in Alberta, which depends for strength on faith in its leader.

The Alberta Premier's hint that he might have to "throw up my

(Continued on page 2, col. 5)

Ford Shows British Buyers V-8 of 22 h.p.

British Exhibition Features Both 22 and 30 h.p. Cars

An ingenious "mystery" playlet to show the features of the new 22 h.p. Ford V-8, which closely resembles the Lincoln Zephyr in body style, was the most intriguing part of the recent Ford Motor Co. exhibition of its cars in Royal Albert Hall, London, England, according to The Motor, British automobile journal.

The "missing body" in the mystery drama was the Zephyr-like body of the car which was cleverly removed to reveal the chassis.

Effect of Taxes

British license tax on the new 22 h.p. V-8 model is £16 10s., based on horsepower. Since Australian taxes are also based on horsepower, it will be interesting to Canadian motorists and investors to see whether the 22 h.p. line is featured by Ford Motor Co. of Canada. It would perhaps be more suitable for the Canadian company's market in Australia than the present 30 h.p. V-8 on which taxes are higher.

The present V-8 model of 30 h.p. was also displayed at the British exhibition. Whether this indicates that the Canadian company will display both 22 and 30 h.p. V-8's this year is a moot question. The lower-powered car would naturally use less gasoline and would be expected to cover 30 or more miles to the gallon. This feature is also popular in foreign markets where fuel taxes are heavy.

Similarity to Lincoln

Illustrations of the 22 h.p. car show it as a small sister to the Lincoln Zephyr. The hood lifts from the front and the sides of the engine cover are removable.

An interesting mechanical feature in the British model is the generator mounting. The generator sits at the head of the motor giving tension to the fan belt.

The attractive lines and economy features of the British 22 h.p. model are of more than usual interest to Canadian investors because a similar type of car might tend to boost sales of the Canadian company materially. Its appearance in Britain also adds weight to rumors that the Canadian company will market a smaller car in Canada this year.

Alberta Asks Central Bank For its Help

Having been turned down by the Dominion government, Alberta has made application to the Bank of Canada for a loan in order to meet its bond maturity on Nov. 1.

While the federal goverment was asked only for sufficient funds to meet the Nov. 1 maturity of $1¼ millions, Hon. Chas. Cockroft, provincial treasurer, has announced the Bank of Canada has been asked for a loan of $3.5 millions in order to enable the province to pay off the $3.2 millions maturity on which it defaulted in April last as well as the Nov. 1 maturity.

Finance Minister Charles Dunning, in reply to Premier William Aberhart's request to the federal government, advised the Social Credit leader that the Dominion government has no authority to advance money to the provinces except for relief purposes.

Bank in Difficult Position

In view of the fact that the Bank of Canada is controlled by the Dominion government it is felt in some quarters that Premier Aberhart has put the central bank in a difficult position by making an application to it for a loan after being turned down by federal authorities. In May last the bank made a loan of $3 millions to Saskatchewan to enable that province to meet a bond maturity.

The Bank of Canada Act provides that the bank can "make loans or advances for periods not exceeding 6 months to the Dominion government or the government of any province on the pledge or hypothecation of readily marketable securities issued or guaranteed by the Dominion of Canada or any province."

Alberta Bonds Not Good Security

Alberta securities can hardly be termed readily marketable. Chartered banks are very hesitant about accepting Alberta bonds as collateral against loans, and if accepted the maximum margin of 30% is demanded. Thus a $1,000 4% Alberta bond selling at $600 is sufficient collateral for a loan of only $420.

If the province is unable to obtain a loan it is expected that it will have to default on its Nov. 1 maturity. It was recently announced that there is only $366,000 available in the sinking fund to meet this maturity.

City Dairy Ltd. Adopts Changes

Dairy Corp. Company Offers Bonds to Shareholders

WINNIPEG. — Shareholders of City Dairy Ltd. at a recent meeting decided to accept a proposal to exchange Class A preference shares for 6% general mortgage bonds.

Decision on the proposal was left entirely to Class A shareholders, Dairy Corp of Canada which holds all of the Class B stock refraining from voting its stock.

For each former Class A share of City Dairy Ltd. held, shareholders will receive $25 principal amount of 6% general mortgage bonds, dated Oct. 1, 1936, and maturing Oct. 1, 1956. Holders, however, have the option of taking 3 class A shares of Dairy Corp. stock in lieu of the $25 in general mortgage bonds.

The meeting also approved issuance of $100,000 of prior lien bonds for the purpose of renovating existing plant and building a large addition. Total expenditure, J. A. Caulder, president, stated, would be about $102,000. He also pointed out that in addition to allowing this prior issue, present bondholders with $408,200 of bonds were taking a reduction of from 6% to 5% in interest. In order to gain these concessions, Mr. Caulder explained, Dairy Corp. had given the Purity Ice Cream business to City Dairy. This business cost Dairy Corp. $200,000. Both businesses will now be housed under one roof and he believed economies would result.

Farmers' Creditors Act May Terminate Next Year

From Our Own Correspondent

OTTAWA. — Termination of the Farmers' Creditors Arrangement Act at the end of the current crop year (July 31, 1937) if farm conditions are favorable, appears to be a distinct possibility.

The measure was introduced as emergency legislation and the authorities here feel that it has done good work. But there has been no intention of leaving it upon the statute books indefinitely.

May Modify Legislation

Political pressure may, however, prevail to the extent that some modified form of insolvency legislation for agriculturists may replace it for several years.

Another change which may be made in the Act in the early future is provision for additional boards of review where it is found physically impossible for the present board in any province to handle the cases taken to it.

Though the legislation was designed primarily with the drought-stricken areas in mind, it has been employed to a large extent in Ontario and Quebec also.

Nova Scotia has taken very little advantage of the Act, which may reflect a lesser measure of farm distress or a greater determination on the part of farmers to pay up their debts 100 cents on the dollar if humanly possible.

A curious situation has developed in Alberta where the debt adjustment act of doubtful validity has offered an alternative or even an aditional relief to the debt burdened farmer.

Writes Off Much Debt

A statistical record of the Act up to Sept. 1, 1936 is as follows:

Farmers interviewed	120,018
Proposals submitted	22,520
Creditors meetings	22,678
Cases:—	
Referred to Boards of Review	13,235
Handled by Boards	8,531
Settled by Receivers	6,057
Total settlements	14,588
Total debt involved	$140,975,200
Total dealt with to date	$91,320,880
Total debt reduction	$27,396,264
Annual interest reduction	$2,188,200
Reduction in secured debts	27.68%
Reduction in unsecured debt	42.86%

PRESIDENT

General manager of The Imperial Life for 24 years, elected a director in 1914 and vice-president in 1934, J. F. Weston (above) has been elected president of the company. He is past president of the Canadian Life Insurance Officers Association, and Dominion Mortgage Investment Association. G. Cecil Moore, formerly assistant general manager, becomes general manager of Imperial Life, and J. G. Parker, formerly actuary, is appointed general manager and actuary.

Highlights

Investing in Food

Position, prospects and financial structures of Canada's leading food companies reviewed in brisk analyses. Special section. Pages 13 to 19.

Trade With U. K.

Bare trade returns fail to reveal full extent of British sales to Canada since 1932. The story behind alcohol and textile imports from Great Britain. Page 24.

Alberta Nationalism

State control scheme violates principles of Confederation, says T. D'Arcy Leonard. Page 8.

Falconbridge Nickel

Industrial and armament demand for nickel products reflected in huge expansion programme of Canada's second largest producer. Page 23.

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Foreign exchange . . . 3

Air Company In Maritimes Gets Rebuff

Eastern Canada Air Lines Lacks Mail Contracts

OFFERS SHARES

From Our Own Correspondent

OTTAWA.—Eastern Canada Air Lines, Ltd., Moncton, N.B., has made application to the Dominion authorities for a flying license, and has also approached the Post Office Department seeking mail contracts. So far it has not been successful in either of these requests, and a canvass of the authorities here suggests their chances of obtaining them are slender at the moment. The company's shares have been offered to investors in the Maritime Provinces by Loughlin & McKenzie, Ltd., Fredericton.

Members of the government hold strong and fairly definite views on the subject of trans-Canada aviation development, and these do not embrace the encouragement of numerous private competitive aviation companies bidding for the privilege of operating air services between the principal points in Canada. The government is sympathetic toward private enterprise in all those fields where it believes unrestricted competition is beneficial to the public as well as the operators, but it rules out trans-Canada aviation as not belonging to this category.

Although no government spokesman will sponsor a public statement to that effect, The Financial Post has been advised that the ministry deplores attempts being made to sell stock to the investing public in aviation companies on the remote prospect that they may be able to secure mail and other government contracts, subsidies and other assistance.

Monopoly Company

Everything points to the formation of a semi-public utility company for the transportation of mail, passengers, express and freight along the trans-Canada route, and along the main links with the United States lines. It will be a Canadian monopoly, operated under strict government supervision. The 2 major transportation companies will be shareholders, and so will Canadian Airways, it is expected.

Hon. C. D. Howe, Minister of Transport, told The Financial Post this week it was hoped to have the nature and set-up of the new company settled by the end of the year. Present plans call for the opening of the service from Montreal to Vancouver by July 1, 1937, with a service from Winnipeg to Vancouver somewhat earlier.

Two Senators in Company

Eastern Canada Air Lines has no government sanction to date, and there is apparently no special significance in the presence on the directorate of Senator C. W. Robinson, Moncton, and Senator Creelman MacArthur, Summerside, P.E.I., both of whom are Liberals. The Minister of Transport, who is responsible for the issuing of flying licenses, has not been personally ap-

(Continued on page 2, col. 3)

Brewing Corp. Merges Kuntz And Carling

Takes Final Step in Concentrating Production of Beer

Brewing Corp. of Canada is putting through another large consolidation of subsidiary companies. Carling Breweries, Ltd., of London, and Kuntz Brewery, Ltd., of Waterloo, will be consolidated into one company hereafter to be known as Carling-Kuntz Breweries, Ltd.

This completes the consolidation programme of Brewing Corp., and no other consolidations are intended.

Concentrate in 6 Plants

Instead of the 12 breweries which the company owned when Brewing Corp. was formed back in 1930 production will now be concentrated in 6 plants, one at Ottawa, 2 in Toronto, one in Hamilton, one in Windsor and now the Kuntz plant at Waterloo. The Kuntz plant is reported to be a lower cost plant and nearer the centre of distribution.

Sales since October 1 when the other 2 consolidations of plants were effected are stated to be "very gratifying." The benefits of these consolidations will not show in the fiscal year ending October 31.

Profits and Losses

Last year the 3 profitable breweries made $500,000 and the other 6 lost about $300,000. By putting the 6 losers into 3 plants which will operate close to capacity and with far less overhead, it is now hoped that next year this part of the company's operations will add to profits instead of subtracting from them.

Taylor & Bate Ltd., wholly-owned St. Catharines subsidiary, has been authorized to change its name to Taba Assets Ltd. The name Taylor & Bate Ltd., however, is to be taken by the former Regal Brewing Co., Hamilton. Thus, Taba Assets Ltd. will hold the St. Catharines real estate assets, but for operating purposes, Taylor & Bate Ltd. will be used as the name for the combined companies.

Duplessis Cracks Down On "Bonds" Financing

Bill No. 5 Regarded as Prejudicial to Future Capital Issues

RAISES NEW PROBLEMS

From Our Own Correspondent

MONTREAL.—Investment dealers in Quebec and elsewhere, as well as corporations within the province considering financing through the medium of bonds, are greatly perturbed over the terms of Bill No. 5 of the current session of the Quebec Legislature.

One of the briefest pieces of investment legislation on record, the bill is entitled "An Act to Protect People's Savings and Prevent Overcapitalization." It reads:

"Notwithstanding any general law or special act to the contrary, every issue of bonds, debentures or debenture-stock, for industrial or commercial purposes, must be limited to the amount representing the real value of the immovable property existing and affected by the hypothec given to guarantee the issue."

The explanatory note says that the object of the bill is to restrict the issue of bonds, debentures or debenture-stock to an amount representing the real value of the property existing and affected by the mortgage guaranteeing the issue.

The bill does not state how "real value" is to be determined. No penalties are provided.

This piece of legislation prohibits financing by bonds secured by assets other than immovables, that is fixed assets such as real estate, plants and equipment.

It will also create difficulties in the case of a Quebec company deciding to finance with bonds or debentures secured partly by immovables in Quebec and partly by immovables located elsewhere.

It is also possible that the bill may be interpreted to mean that bonds of companies outside the province cannot be sold in Quebec unless the security conforms to this bill.

Hitherto the terms "bond," "debentures" and "debenture stock," have been rather loosely applied to securities. On more than one occasion public financing has been carried out in the province, with the security offered designated as bond or debenture secured more by a promise to pay than anything else. Then again there are many cases where companies have issued "collateral trust" bonds or debentures, secured by stocks and bonds. In a case like this, Bill No. 5 would prohibit Quebec companies and investment trusts from issuing such securities.

Bill No. 5 has been put forward by the government with a view to protecting the investor. Investment dealers and others, however, feel that the government has gone to extremes.

Ontario Steel Products Pays $2 Extra on Arrears

Ontario Steel Products Co., Gananoque, has declared an extra dividend of $2 a share on its 7% preferred stock in addition to the regular quarterly dividend of $1.75 a share.

The regular dividend is payable Nov. 16 to shareholders of record Oct. 31, and the extra of $2 a share is payable Dec. 18 to shareholders of record Oct. 31.

Payment of regular dividends was resumed in August. The payment on arrears reduces these to $24.25 a share.

In the year ended June 30, 1936, the company's earnings were $16.60 a share on the preferred compared with $3.58 a share in the preceding year.

A. M. Papers P. M. Racers

Keen competition to be first in getting early editions on the street has developed between Toronto morning newspapers since ownership of The Globe was acquired by W. H. Wright, mining millionaire, and C. G. McCullagh, 31-year-old financier and now publisher.

Formerly the early editions reached the street at about midnight or shortly after. This week they have been making it at 11.30 p.m., or earlier, and the end does not yet appear to be in sight. The best they can do is 9.30 p.m. which is the earliest hour of publication allowed for the "morning" papers under their Canadian Press franchise.

Cons. Paper Plans to Issue 15 Shares Per $1,000 Bond

From Our Own Correspondent

MONTREAL. — Official plan of Consolidated Paper Corp. regarding payment of interest on first mortgage bonds in common shares will be released early in November.

In its present form it is understood that the plan calls for payment of 3 years bond interest by issue of common stock in one lump amount at a value of $11 a share. This means that for each $1,000 bond the holder will receive 5 shares of common stock for each year's interest as forecast in The Financial Post last week. But the holder would get the whole 15 shares for the 3 years interest at once.

The plan also provides for contingent payment of interest in common stock for another 2 years if cash payments would reduce the company's net working capital below a set figure.

The company's earnings for the 5 months ended Aug. 31, 1936, were $1,375,000 compared with $751,000 for the same period of 1935. In the year ended March 31, 1936, operating earnings were $2.2 millions, all of which was charged off to depreciation.

PAPER PRESIDENT

R. L. Weldon, formerly with International Paper, who has been elected president of Bathurst Power and Paper Co., succeeding A. J. Nesbitt.

Landon Holds Small Chance

Whaley-Eaton Service Sees Popular Roosevelt Majority

Landon has a remote chance, if he captures all the doubtful territory, of winning a small majority in the United States electoral college when the votes are counted next month.

Roosevelt is sure of a popular majority, and he may get an electoral vote as large as, or even larger than, in 1932.

In brief, the foregoing is the analysis of the United States election probabilities voiced by Whaley-Eaton Service.

Reflecting these developments in a more tangible form, Whaley-Eaton presents the following line-up as depicting the political tendency of the nation as it goes to the polls:

States for Roosevelt

	Electoral Vote
Alabama	11
Arizona	3
Arkansas	9
California	22
Florida	7
Georgia	12
Idaho	4
Kentucky	11
Louisiana	10
Maryland	8
Missouri	15
Mississippi	9
Montana	4
Nevada	3
New Mexico	3
North Carolina	13
North Dakota	4
Oklahoma	11
Oregon	5
South Carolina	8
Tennessee	11
Texas	23
Utah	4
Virginia	11
Washington	8
Wisconsin	12
	241

States for Landon

	Electoral Vote
Connecticut	8
Kansas	9
Maine	5
Massachusetts	17
New Hampshire	4
Rhode Island	4
Vermont	3
Wyoming	3
	53

Doubtful States

	Electoral Vote
Colorado	6
Delaware	3
Illinois	29
Indiana	14
Iowa	11
Michigan	19
Minnesota	11
Nebraska	7
New Jersey	16
New York	47
Ohio	26
Pennsylvania	36
South Dakota	4
West Virginia	8
	237

There are 531 seats in the electoral college and to secure a majority Roosevelt needs but 25 votes from the "doubtful" states.

Landon Has Chance

"In no previous campaign," the service states, "has it been assumed that a candidate could have so great a lead over his opponent and yet that opponent have a chance to win. Landon must take virtually all of the doubtful territory to be successful. He fails, for instance, if he loses either New York or Pennsylvania, even if he takes all other disputed territory."

No Advantage For Brazilian In Devaluation

Foreign Exchange Only Available in Small Amounts

CAN GOVERNMENT PAY?

Immediate effects on Brazilian Traction Light & Power Co. of devaluation of gold currencies has been just about nil, The Financial Post understands. Rise of the shares above $17 recently, followed by recession, is attributed largely to hopes of another cash dividend and a belief that currency devaluation will help the company eventually.

The company is able to purchase moderate amounts of foreign exchange with its Brazilian funds from time to time. The consequent hope of shareholders is that another cash dividend will be forthcoming soon. There is no official word of such a payment but some Toronto stock brokers favor the shares in expectations of a dividend. The last payment was 30 cents a share paid July 15, the first cash distribution to shareholders since March, 1932.

Earnings and Exchange

Earnings of the company in Brazil have shown an increase of over 5% for the first 9 months of this year. These are stated in Canadian dollars. But profits are actually earned in Brazilian money, milreis, and for the monthly statement the milreis is calculated at approximately current levels of free exchange. The company is unable, however, to transfer all its earnings into foreign currencies. Consequently the payment of dividends is largely dependent upon ability of the company to get its money out of Brazil.

Earnings last year were the equivalent to 74 cents a share Canadian currency, but were not all transferred from Brazil. This year's earnings appear likely to show an increase. But the calculation in Canadian money will depend upon the value given to the milreis.

The extent of the company's ability to transfer money abroad for dividend purposes depends to some extent upon the government's requirements of foreign exchange. The government requisitions 35% of the foreign proceeds of exports paying the exporters in Brazilian currency for the credits thus obtained abroad. Recent articles in the Rio de Janeiro Journal of Commerce said the amount of exchange realized in this manner is more than sufficient to enable the government to maintain payments on its foreign bond issues. However, the government is paying only part of interest to outside bondholders.

The scheme under which payments on Brazilian foreign bonds are made comes up for renewal or modification next year. If bondholders are successful in getting better payments from the government, as is their hope, it would not make it any easier for companies like Brazilian Traction to get their earnings out of the country.

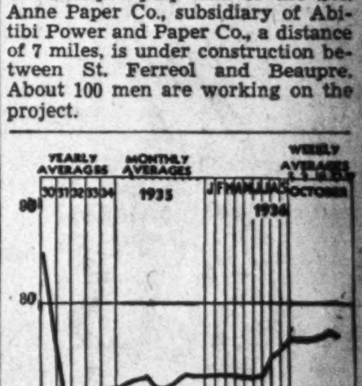
London Viewpoint

In London, there has been a growth of opinion that recent international currency devaluations should eventually improve international trade and relieve the Brazilian exchange situation. If it were to contribute to a rise in value abroad of Brazilian exports, principally coffee, obviously there would be a greater amount of foreign exchange available to Brazil. So far, however, there has been little sign of strength in coffee prices.

Brazilian Traction has shown a substantial increase in working capital in the past 5 years, largely because it cannot draw funds freely from Brazil to pay dividends. Working capital was $10.3 millions in 1930 and reached $34.9 millions in 1934. This was reduced to $23.8 millions last year, partly reflecting redemption of $25 millions of 5% bonds of a subsidiary, Rio de Janeiro Traction Light & Power Co. In 1936 there will probably be another increase. It must be remembered, of course, that although these figures are stated in Canadian dollars the funds are actually in the form of Brazilian money.

Ste. Anne Paper Co. Building New Sluice

MONTREAL.—A sluice to carry pulpwood from Ste. Anne River to the Beaupre pulp mill of the Ste. Anne Paper Co., subsidiary of Abitibi Power and Paper Co., a distance of 7 miles, is under construction between St. Ferreol and Beaupre. About 100 men are working on the project.



PRICES EASIER

Wholesale commodity prices declined to 76.8 in the week ended Oct. 23 from 77.1 in the previous week, according to the index compiled by the Dominion Bureau of Statistics.

MEN'S SHOP

STYLED INDIVIDUALLY the Huntingdon Made-to-Measure SUIT

To suit yourself in every respect . . . . in material, in style, and in workmanship . . . we suggest that you visit the Men's Shop, and there select your choice of fabrics from our extensive selection of all wool imported "Huntingdon" suitings. Then, with the aid and expert advice of our fitters, plan one suit, or several suits, in the exact styles you desire.

The Men's Shop will make "Huntingdon" suits to your individual requirements, from selected woollens at

$50.00 the Suit

These suits may be purchased on EATON'S Budget Plan if desired.

MEN'S SHOP
BAY STREET SECTION
EATON'S - COLLEGE STREET

The Nation's Business

(Continued from page 1)

in revenues and a reduction of $7 millions in expenditures.

• • •

IT WILL be from the reduction in expenditures that serious-minded citizens will reap the greatest encouragement. A real effort on the part of public bodies to reduce expenditures has been almost entirely lacking in recent years, although it is recognized by students of public finance that budget balancing must come primarily from curtailment of expenditures.

Premier Hepburn states that he thinks Ontario has reached the limit of taxation, and that he hopes that within a year, with a balanced budget, the government will be starting to cut taxes.

This is a goal which other governments in Canada might well set for themselves.

• • •

Miss Whitton's Articles Conclude

"Canadians must realize that their own indifference and a deplorably lax attitude toward political exploitation have been running through the national life stream like a pernicious anaemia, insidiously sapping our strength and vigor and undermining the basic standards of character and public spirit.

"Have we the courage and the sense of public duty to face and solve the problem?"

• • •

IN THESE words Charlotte Whitton concludes her remarkable series of 12 articles, which have presented to readers of The Financial Post in recent weeks the most complete, authoritative survey of our relief and social dependency problems that has appeared anywhere in this country.

In these articles she has delved deeply into every phase of the great social issues that confront Canada and which involve some 1,800,000 Canadian citizens at a cost of $200 millions annually. She has made specific, constructive suggestions as to how some of these problems can be solved but always she returns to the underlying conviction, that "the fault, dear Brutus, is not in our stars, but in ourselves . . ."

• • •

THE specific challenge of the final article in this series is that we should make a definite beginning in "the avenue of greatest expenditure and most recent growth —unemployment insurance" and perform the essential surgical operation that she believes must be undertaken, namely "the ruthless separation of the whole system of public social aid from its immediate political control, especially in the units of local government."

Whether even this major break would effect a cure of our problem would depend on the type of men who were appointed to handle welfare problems and the courage and ability they showed in steering a bold and wise course. That something of the sort must be done and done quickly can be little doubted. The Whitton articles have made clear the challenge that confronts Canadian citizenship.

• • •

Shortsighted Pulp Exports

FOR certain kinds of wood-pulp there is a rapidly rising demand, chiefly due to the increase in consumption of artificial "silk" products like rayon and cellophane. Wood. Pulp and paper mills with a saleable surplus of sulphite pulp are making good profits.

Under such circumstances it is unfortunate that the Province of Ontario is permitting the export of unfinished pulpwood cut by contractors on Crown lands. Nominally put forward as measure to create employment, the privileges granted to cut such wood and export it to the United States must have the effect of reducing the net amount of employment. Such pulpwood should be made at least into pulp and, as far as possible, into paper and rayon in Canadian mills. Thus its value in creating employment would be multiplied.

It is alleged that Ontario's new policy of permitting the province's pulpwood forests to be denuded by operators seeking cheap wood for export is based upon political favoritism. How true opposition charges in this respect are we cannot say. But the policy is a short-sighted one.

With rising markets for pulp and paper statesmen ought to be planning to get the largest possible price return from our forests. That can only be had by carrying on the ultimate processes of manufacture in Canadian mills.

4 Banks to Handle Montreal Account

From Our Own Correspondent

MONTREAL. — Rearrangement of Montreal's banking business to give a share to all the chartered banks having their head office in Montreal has been decided upon by the city council. Hitherto the Bank of Montreal and the Banque Canadienne Nationale had all the business. Now it is proposed to give part of this business to the Royal Bank of Canada and the Provincial Bank of Canada.

The business will be distributed as follows: Bank of Montreal will get 35%, the Banque Canadienne Nationale 25%, and the Royal Bank and Provincial Bank 20% each.

Albertans Not So Sure Of Social Credit Now

(Continued from page 1)

hands"—on which he was not misquoted, since he was given opportunity to deny it on his return to Edmonton—was calculated to stir up anew the flagging efforts of followers who had fallen down in not making scrip circulate. Alleged Social Crediters, said Mr. Aberhart, had refused to accept scrip. This was a direct thrust at certain of his party members, who have in general believed the teaching that it is the other fellow who is wrong and obstreperous.

May Start Heretic Hunt

While the classroom disciplinarian may be seen in such hints and charges of Mr. Aberhart, their effect in fostering doubt and suspicion of one to another among his followers, suggests how classroom tactics may misfire in the political arena. The inference that a party purge would be a suitable preliminary to entering upon the credit experiment is not likely to be lost on many Social Credit groups. Hunting down heretics and traitors may become a popular winter pastime with Social Crediters, and in this connection it is noteworthy that already the party has purged itself of 2 M.L.A.'s, S. A. G. Barnes and James Hansen, the latter recently explaining his political troubles as due to efforts of his local partisans to do his thinking for him.

Meanwhile, the Social Credit leader's exhortations to be prepared to receive Alberta Credit have produced none of the fervor that he created for scrip last summer. This fervor made itself felt in many ways, and similar preparations for the credit scheme appears to have misfired. Mr. Aberhart himself put his finger on a fact when he complained of indifference to scrip, a sign that the people had suffered some disillusionment just now when the real thing, in the shape of Alberta Credit, is about to arrive.

Mr. Aberhart has given a plain warning that failure is a possibility, unpalatable as it might be to sincere believers. This is a new note in a campaign for a scheme described more than a year ago as "wondrously simple."

More Changes Coming?

This brings the situation in Alberta and the progress of the Social Credit experiment up to date. The question is not clear whether Mr. Aberhart is prepared to allow his scheme to fail on a voluntary basis, or has other plans up his sleeve? That question mark overshadows all other issues in Alberta at the moment.

The Government has wide powers to enforce the Alberta Credit Act, but the only hint of deviation from the act so far has been a suggestion from Mr. Manning that credit vouchers might be made negotiable to facilitate their circulation. If the credit vouchers are permitted to pass from hand to hand, instead of through the credit house at each transaction, it would be a wide departure from the intention laid down in Mr. Aberhart's election manual and adhered to up to the present.

Recent ousting of Mr. Hansen, the Social Credit member for Taber, by his local organization calls attention to the travesty contained in the Recall Act of the Aberhart Government. This measure, in accordance with an election promise, was designed to permit the people to control members with whom they were displeased. Neither the Government nor its followers now take this view seriously. The Government regards Mr. Hansen, like Mr. Barnes, lost to the cause, yet recall proceedings are not even considered. Recall would require signatures of 67% of the registered voters, which in most ridings is more than actually voted last year.

Rogers-Maj. Sales, Profits On Upgrade

New Conditions Cause Wholesale Obsolescence of Radios

Rogers Majestic Corp. has had in the first half of its fiscal year a marked advance in sales and profits, The Financial Post understands.

This applies not only to its sales in Canada but export business is growing as well. A few years ago the company sold only to New Zealand but now is shipping increasing quantities to the British Isles, to South Africa, to Australia and other countries as well. The export development this year has been particularly promising.

Investors, who have been paying a great deal of attention to this stock recently, are interested also in the better sales of the industry at large because the company draws additional revenue from its stock holdings in Canadian radio patents, in royalties under the licenses granted to other manufacturers.

Its working capital position was strong at the end of its last year, March 31, 1936, and has improved materially since.

Stock Advances

The stock market has marked this upward course of business. On March 31 the common stock sold at $4½, dropped to $4 during April and has been recovering ever since. In the last week or 2 it has been selling higher than 8.

The whole radio industry has benefitted from increased buying power by the public. It is estimated that there are 400,000 obsolescent radios in Canada. This includes practically every radio more than 5 years old, even excellent machines structurally and mechanically perfect according to 1931 ideas.

"Short Waves" Demanded

The public also demands short wave reception on their radios. The industry has met that demand. This year 90% of the radios sold will have short wave receivers.

Just as there was stabilization in the automobile industry from 1919 to 1925, when the number of manufacturers declined rapidly, the same thing has occurred in the radio industry. The chaos of the first years of the depression has passed and the industry has pretty well settled down in the public mind to include about 8 larger companies with R.C.A., Philco and Rogers Majestic doing about 75% of the business.

Canada Starch

Has Paid Preferred Dividends Regularly—Operates Two Plants

Canada Starch Co. Ltd. is a consolidation of Edwardsburg Starch Co., Brantford Starch Works and plant and trademarks of Imperial Starch Co. It has plants at Cardinal and Fort William, Ontario, while the head office is at Montreal.

It has been paying preferred dividends regularly.

Capitalization—	Authorized	Outstanding
Pref. 7%	$3,250,000	$3,069,100
Common	1,250,000	1,186,500

Par $100.

Preferred—7% non-cumulative, payable Feb. and Aug. 15; paid 1907 to 1921 inclusive, none till Feb., 1928, regularly since.

Common—None paid.

Head Office—Montreal.

Officers and Directors—

Officers—G. F. Benson, pres.; J. J. Warren, 1st vice-pres.; W. B. Blackader, 2nd vice-pres.; B. S. R. Watson, sec.-treas.

Directors—G. F. Benson, W. B. Blackader, Hugh MacKay, G. F. Benson, Jr., J. H. Hunter, E. B. Hosmer, B. S. R. Watson, Montreal; J. J. Warren, A. C Matthews, Toronto.

Bank Contrast

There are 15,752 banks in the United States as shown by the Federal Reserve report of June 30, 1936. Nevada with 10 banks, has the fewest of any state and Arizona has next fewest with 14. The Dominion of Canada has 11 including the central bank, the Bank of Canada.

Investment Trusts

	Bid	Asked
Can. Amer. Trust	4.30	4.60
Can. Invest. Fund, ex-div...	4.50	4.80
Grouped Income	6.54	7.15
Can. Equity	13.50	...
All Can. Com., ex-div.	13.70	14.25
Trans. Canada	14.00	...
Can. Int. Trust, modified ..	5.50	6.00
Do., unmodified	5.00	5.50

Company Reports

Twin City Rapid Transit

Net income of Twin City Rapid Transit Co. for the first 9 months of 1936 shows an improvement of nearly $195,000. It should be noted, however, that none of the increase was recorded in the third quarter. Consequently the rise of income is not as impressive as it was earlier this year, although interest charges have been covered 1.6 times compared with 1.35 times in the first 9 months of 1936.

Comparative Income Statement
9 Months ended Sept. 30

	1936 $	1935 $
Oper. rev.	6,826,734	6,325,683
Less: Oper. exps.	4,752,665	4,505,724
Net oper. rev.	2,074,069	1,819,959
Less: Taxes	763,759	669,394
Oper. income	1,310,310	1,150,565
Add: Other income ...	32,386	60,961
Gross income	1,342,696	1,211,526
Less: Bond interest ...	834,610	898,424
Amort. of disc.	49,990	52,471
Misc. rents, etc.	11,788	9,181
Net income*	446,308	251,450

*Before provision for surtax on undistributed profits.

Great Lakes Power Co.

Continued improvement in the operations of Great Lakes Power Co., Sault Ste. Marie, is reflected in earnings of the company for the 9 months ended Sept. 30. Net profit for the period was $151,487 as compared with $79,265 in the coresponding period of 1935.

Bond interest for the period was earned 5.12 times and total fixed charges, 1.54 times.

Income Account
3 Months Ended Sept. 30

	1936 $	1935 $
Gross earnings:		
Electric	190,137	194,672
Hydraulic	15,713	15,713
Other oper. rev.	187	101
Gross oper. earns.	206,037	210,486
Add: Other inc.	27,733	7,772
Less: Oper. exps.	22,712	26,253
Maintenance	6,084	7,853
Prov. for retire.	27,029	30,042
Taxes, prov. & local	14,256	12,544
Inc. taxes	6,601	7,043
Net earns.	157,088	134,521
Less: Int. on funded debt	42,690	21,352
Gen. interest	49,375	72,283
Amort. disc. & exp..	899	......
Net profit	64,124	40,886
Less: Pref. divd.	13,125	13,125
Surplus for period ...	50,999	27,761

9 Months Ended Sept. 30

	1936 $	1935 $
Gross earnings:		
Electric	582,076	548,722
Hydraulic	47,140	47,039
Other oper. rev.	307	176
Gross oper. earns.	629,524	595,937
Add: Other inc.	24,432	8,301
Less: Oper. exps.	67,645	75,993
Maintenance	19,289	18,253
Prov. for retire.	81,068	89,889
Taxes, prov. & local	42,968	38,000
Inc. taxes	22,441	16,786
Net earns.	430,545	365,317
Less: Int. on funded debt	84,030	66,647
Gen. interest	194,129	219,405
Amort. disc. & exp.	899	......
Net profit	151,487	79,265
Less: Pref. divd.	39,376	39,375
Surplus for period	112,112	39,890

A. W. Chase Co.

The A. W. Chase Co., Oakville, Ont., reports earnings of $3.96 a share on the 9,904 preferred shares in the 1935-36 year, compared with $4.15 a share in the preceding year. This was effected after spending $21,000 more for advertising than in the preceding year. President W. J. Stone says, "consistent advertising is the very life blood of the medicine business."

Chief balance sheet change is a rise of over $22,000 in plant investment which accounts for the decline of working capital. Regular preferred dividends of $2 annually are being continued with a special year-end dividend when warranted.

Income and Surplus Account
Years ended April 30

	1936 $	1935 $
Net profits	39,236	41,437
Less: Pref. divds.	24,892	19,982
Surplus for year	14,344	21,455
Add: Prev. surplus ...	40,038	18,583
Surplus forward	54,382	40,038
Working Capital		
Current assets	187,283	212,059
Current liabilities	34,880	38,410
	152,403	173,649

Johnston Storage Co.

Johnston National Storage Ltd., Vancouver, reports income for the year ended July 31, 1936, sufficient to cover bond interest and depreciation. The accumulated deficit was reduced by over $5,500. The annual report states the company has had a problem to keep operating expenses down, particularly because of rising costs of labor and higher taxes.

Profit and Loss Account
Years Ended July 31

	1936 $	1935 $
Net earnings	26,192	18,039
Less: Depreciation	9,747	18,666
Bond interest	11,430	......
Inc. tax res.	1,400	1,600
Net profit	3,615	*2,227
Add: Disc. on bonds	1,750	......
Int. on bonds	145	......
Less: Prev. deficit	14,307	12,080
Deficit forward	8,796	14,307

*Deficit.

T. G. Bright & Co.

Decreased sales of wine as a result of freer beer sale and the reduction in taxation on spirituous liquors resulted in a decline of over 50% in the net profit of T. G. Bright & Co. for the year ended July 31, 1936. Net profit was equivalent to only 21 cents a share on the common stock, compared with $1.05 a share in the year ended July 31, 1935.

Working capital also declined slightly, amounting to $628,365 as compared with $685,803 in the previous year. This reduction is partly due to additions to fixed assets which cost $51,000. Bank borrowings were reduced during the year by $37,000 to $263,150.

In the 12 months ended July 31 last, 60 shares of preferred stock were redeemed, reducing the number outstanding to 7,822 shares.

Consol. Income and Surplus Account
Years ended July 31

	1936 $	1935 $
Net oper. profit	128,297	209,095
Less: Depreciation	34,970	30,599
Income taxes	24,754	37,552
Net profit	68,573	140,944
Less: Preference divds..	47,127	35,591
Common divds.	30,000	22,500
Surplus for year	*8,554	82,853
Add: Prev. surplus	140,313	57,460
Surplus forward	131,759	140,313

*Deficit.

W. C. Laidlaw Director Of Consumers' Gas Co.

Walter C. Laidlaw, who was recently elected a director of the Consumers' Gas Co., Toronto, is president of R. Laidlaw Lumber Co.

Mr. Laidlaw is also a director of Imperial Bank of Canada, Canada & Dominion Sugar Co. and the Confederation Life Association. He fills the vacancy on the board created by the death of Arthur Hewitt, former president and managing director.

Republic of Costa Rica Suspends Bond Service

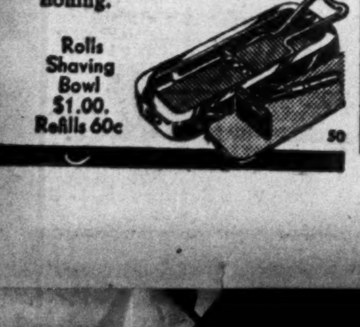
Temporary suspension of all interest and sinking fund payments on the Republic of Costa Rica 7% and 5% bonds has been announced by J. & W. Seligman & Co., New York, fiscal agents for the 2 issues.

LEARN SHAVING Joy

Instead of buying blades in a never-ending search for shaving perfection, invest $6.95 (and up) in a

ROLLS RAZOR

Keeps its barber's blade in ever-keen condition by automatic self-stropping and honing.



Air Company Gets Rebuff

(Continued from page 1)

proached by the company, but a request is on file in the office for such a license. The Financial Post was advised that the request had not been granted, and that nothing would be done for several weeks until the situation had been thoroughly canvassed.

Mail Contracts

The post office department advised The Financial Post that requests for mail contracts had been laid before the officials, but that they had been unsuccessful, and that no contracts were at present in their possession.

Mail contracts by tender will not be possible along the trans-Canada air line, since a monopoly is contemplated. Instead the government, after a study of the problem, will have to set a rate of payment. If the semi-public flying company—Trans-Canada Airways, or whatever it is to be called—finds it is losing money on such a rate, either an adjustment may be made or a mail subsidy granted. It is quite possible that in the early future the question of aviation rates on all classes of traffic will come under an enlarged Board of Railway Commissioners.

Offering Circular

In an offering circular on Eastern Canada Air Lines, it is stated that a thorough survey of the company's field has been made. "Probable earnings" on 80% efficiency are outlined:

Mail revenue	$45,000
Passenger revenue	78,000
Express revenue	27,000
Total	$150,000

According to the foregoing report from Ottawa, the mail revenue is an uncertainty. The circular states that the complete service can be operated for about $58,000 annually. This, it is claimed, "would leave $92,000 available for taxes and dividends."

Suggested Tie-up

R. T. McCully, who is listed as managing director, states in a letter that the Trans-Canada air mail will need feeder lines in the Maritime Provinces and "we should be ready to handle this business."

The stock offering consists of 10,000 preferred shares of $10 each offered at $12.50 a share carrying a "bonus" of one common share with one preferred. Total capital is 10,000 preferred shares and 30,000 common shares. Some 20,000 common shares, therefore, are not included in the offering with the preferred to public investors.

The preferred dividend is non-cumulative. Also the preferred shares are non-voting, although they are outnumbered by the common anyway.

Purpose of the stock issue is stated to be to provide money to buy 5 modern airplanes, equipment, and to provide working capital to operate a daily air service between principal centres in the Maritime Provinces.

Directors and "Reserve"

In addition to Senators Robinson and MacArthur, directors are: W. M. Humphrey, Moncton, who is president of the company; Dr. John B. Reid, Truro, vice-president; R. T. McCully, managing director; G. W. Tingley, Halifax; N. Nathanson, Sydney; C. Albert Kitchen and R. G. Loughlin, Fredericton.

"Dividends on the common shares," the circular avers, "will not exceed 50% of the net surplus annual earnings, thereby building up a strong reserve."

Bond Tenders

12 noon, Oct. 30, Dominion of Canada Treasury Bills—$30,000,000, dated Nov. 2, 1936, payable Feb. 1, 1937. Bank of Canada, Ottawa.

Acceptance Corp. Plans Dividend

MONTREAL.—Directors of Industrial Acceptance Corp. contemplate placing the class A stock on a $1 annual dividend basis, to accrue from Jan. 1 next at the quarterly rate of 25 cents a share.

The volume of business handled for the first 8 months of 1936 shows a substantial increase over that reported in previous years. Up to the end of August the company had purchased $14.7 millions of receivables, on which net earnings after income and profits and taxes amounted to $193,537. During all of 1935 receivables purchased totalled $15.5 millions on which profits amounted to $180,808. Earnings on the class A for the 8 months period were $2.52 a share, as against $2.12 in 1935.

The earned surplus at the end of last August stood at $256,637 as against $105,469 at the close of 1935.

Greenshields & Co. are making a public offering of 20,000 shares of the class A stock at $25 a share. This offering does not constitute new financing by the company, but represents stock acquired by private purchase.

Public Utility Earnings

B. C. Power

September:	1936 $	1935 $
Gross revenue	1,171,584	1,117,002
Operating expense ...	805,449	765,060
Net revenue	366,135	351,942
3 Mos. end. Sept.:		
Gross revenue	3,605,079	3,333,073
Oper. expense	2,532,725	2,319,930
Net revenue	1,072,354	1,013,143

Canada Northern Power

September:	1936 $	1935 $
Gross revenue	374,253	373,117
Operating expense ...	144,877	143,582
Net revenue	229,376	229,535
9 Mos. ended Sept.:		
Gross revenue	3,370,646	3,272,458
Operating expense ...	1,282,081	1,239,606
Net revenue	2,088,565	2,032,852

East Kootenay Power

September:	1936 $	1935 $
Gross revenue	38,927	38,115
Operating expense ...	13,146	10,996
Net revenue	25,781	27,119
6 Mos. ended Sept.:		
Gross revenue	228,447	221,130
Operating expense ...	71,811	66,989
Net revenue	156,636	154,141

BRAZILIAN TRACTION

September	1936 $	1935 $	Increase $
Gr. earn.	2,828,576	2,493,316	335,260
Oper. exps. ..	1,262,995	1,163,978	99,017
Net earn.	1,565,581	1,329,338	236,243
Nine Months Ended September 30:			
Gr. earn.	23,600,598	22,833,491	767,107
Oper. exps. ..	10,659,340	10,531,555	127,785
Net earn.	12,941,258	12,301,936	639.322

Canadian National Railways

September:	1936 $	1935 $
Gross revenue	17,966.964	15,899,678
Oper. expense ...	128,242,831	118,964,515
Net revenue	2,962,557	2,291,230
9 Mos. ended Sept.:		
Gross revenue ..	134,448,312	135,099,075
Oper. expense ...	128,242,851	118,964,515
Net revenue	6,205,461	6,134,560

Foreign Exchange

FOREIGN EXCHANGE AT TORONTO AND MONTREAL

	Oct. 20	Oct. 21	Oct. 22	Oct. 23	Oct. 24	Oct. 26
U. S. dollar, High	1.00	1.00	1.00	1.00	1.00	1.00
Low	.99 11/16	.99 11/16	.99 11/16	.99 11/16	.99 11/16	.99 11/16
1935 High	1.01 11/16	1.01½	1.01½	1.01 11/16	1.01 1/16	1.01 1/16
Low	1.01 1/16	1.01 1/16	1.01 1/16	1.01 11/16	1.01 11/16	1.01 1/16
U. K. pound	4.89	4.89	4.89	4.88¾	4.89	4.89
Argentina	.2735	.2788	.2788	.2788	.2785	.2780
Australia	3.9047	3.9047	3.9042	3.9037	....	....
Austria	.1884½	.1885	.1878	.1878	.1878	.1873½
Belgium	.1683½	.1684½	.1683½	.1634½	.1684	.1684½
Brazil	.0590	.0590	.0593	.0593	.0590	.0585
Czechoslovakia	.0354	.0354½	.0354½	.0354	.0354½	.0354
Denmark	.2184	.2184	.2184¼	.2183	.2184	.2183
France	.0465½	.0465	.0465	.0463	.0465⅝	.0465
Germany	.4021	.4022	.4021	.4021	.4023	.4022
Greece	.0090	.0093⅞	.0090	.0090	.0090	.0089½
Holland	.5384	.5389	.5391½	.5387	.5384	.5393½
Hungary	.1979½	.1980	.1980	.1980	.1980	.1979½
India	.3727	.3727	.3730	.3727	.3702	.3724
Italy	.0526	.0526½	.0528¼	.0526¼	.0526¼	.0526½
Japan	.2859	.2860	.2860	.2860	.2860	.2857
Jugoslavia	.0234	.0233	.0233¾	.0233½	.0233½	.0233¼
New Zealand	3.9361	3.9361	3.9354	3.9351	....	....
Norway	.2458	.2458	.2457	.2457	.2458	.2457
South Africa	4.8662	4.8652	4.8656	4.8655	....	....
Sweden	.2522	.2522	.2521½	.2521	.2522	.2522
Switzerland	.2297	.2298½	.2297	.2298	.2298	.2298
Hong Kong	.3040	.3045	.3054	.3055	3.050	.3049

Weekly Record of Financing in Canada

SALES BY MUNICIPALITIES, PROVINCIAL AND DOMINION GOVERNMENTS

Municipal—	Date Sold	Sold to	Rate	Due	Amount	Price	Yield
St. Jean, Que. Sch. Comm.	Oct...	Banque Canadienne Nationale	3½% / 4%	1937-50 / 1931-61	$46,900	100.22	.....
Provincial—							
Nova Scotia	Oct...	Wood, Gundy & Co. and Syndicate	3%	1956	$2,103,000	95.087	3.34%

OFFERINGS OF CORPORATIONS AND FOREIGN SECURITIES

Bond Issues—	Date Issued	Offered by	Rate	Due	Amount	Price	Yield
Howard Smith Paper Mills	Oct...	Wood, Gundy & Co.	3, 3½, 4%	Ser.	$3,000,000	.....	.....
United Service Corp.	Oct...	Eastern Securities, Johnston & Ward, Nova Scotia Bond Corp.	4¼% / 6%	1951 / 20-yr.	3,300,000 / *108,000	101 / ...	4.16% / 5.70%
Stock Issues—							
Distillers-Seagrams	Oct...	Brown, Harriman Inc. and U. S. Syndicate	5%	Pref.	150,000 shs.	97	.....
Admiral Cadillac Gold Mines.......	Oct...	Standard Securities	....	......	250,000 shs.	25c	.....
Wales Red Lake Gold Syndicate....	Oct...	Kenneth Bernhard	....	......	1,000 units	$10	.....

* Unsold balance.

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For buoyant stepping you need comfortable shoes . . . and "M. W. LOCKE" Shoes are scientifically designed to give you comfort. Already thousands of men all over the world have found relief from bothersome foot ailments by wearing these famous shoes. Why not step into SIMPSON'S today and treat yourself to a pair? You needn't sacrifice style for this comfort — as you'll readily see when you look over the many smart "M. W. LOCKE" Shoes, exclusive in Toronto with the Store for Men's new Shoe Department.

STREET FLOOR — Opposite City Hall.

Boots $11. Service-weight boots 8.50.

Simpson's

"Select comfortable shoes in comfort!"

WINNIPEG ELECTRIC COMPANY

General Mortgage

Series "A" Bonds due January 2, 1965
(Bearing interest at 4% to January 2, 1942, and 5% thereafter)

Series "B" Income Bonds due January 2, 1962

IMPROVED activities in agriculture, mining, pulp and paper are reflected in the earnings recovery of this company, serving the commercial centre of the Middle West. With continued recovery towards former volume of business activity, the already substantial interest coverage should be increasingly strengthened. At current prices, yielding from 6.40% for Series "A" to about 7.50% on the income bonds, these securities are of special interest at this time.

Analysis available on request

MIDLAND SECURITIES CORPORATION LIMITED

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Whither Canada?

Indifference and Political Exploitation Sap National Life Stream, Says Charlotte Whitton in Final Article on Relief

By CHARLOTTE WHITTON, C.B.E.

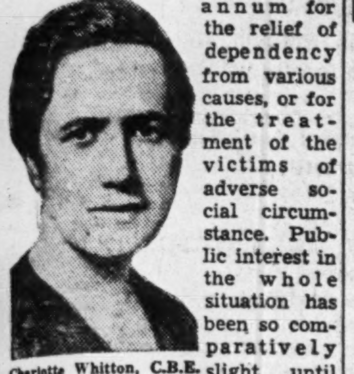
Challenge To Action Clear-Cut For Canada

Whether you are reading a Charlotte Whitton article for the first time or whether you have followed this amazing series during the past 3 months, the challenge of this final chapter in Miss Whitton's study of Canada's relief and social problems should come clearly and unmistakably to every thinking citizen.

"Canadians must realize," she says, "that their own indifference and a deplorably lax attitude toward political exploitation have been running through the national life stream like a pernicious anaemia, insidiously sapping our strength and vigor and undermining the basic standards of character and public spirit."

From her vantage point as executive director of the Canadian Welfare Council, Miss Whitton sees the next 5 years as marking a milestone in our handling of national affairs. She sees the need for greater co-operation between government and private enterprise in solving these great social problems; the need for clear-cut responsibility between our governing bodies and (as a starting point) the "ruthless separation of the whole system of public social aid from its immediate political control, especially in the units of local government."

Through their different units of government today—federal, provincial and municipal—Canadians are providing not less than $200,000,000 per annum for the relief of dependency from various causes, or for the treatment of the victims of adverse social circumstance. Public interest in the whole situation has been so comparatively slight until recently that we even lack accurate statistics as to the exact incidence of dependency, but careful calculations would suggest that in the last 5 years, we have rarely had less than 1,800,000 persons—men, women and children—dependent in whole or in part on social aid for a considerable period in each twelvemonth. There has been, indeed, much more money than thought available for the treatment of distress and social maladjustment.



Charlotte Whitton, C.B.E.

How long can a country continue to drift with the tide in the provision of social assistance when only 37% to 38% of its population is gainfully occupied, its total national wealth between $2,300 and $2,400 per capita, and national income annually some $360 per capita? When its gross debt, direct and indirect, exceeds $650 per head and the public ordinary expenditure of its 3 systems of government runs more than $90 per head per annum?

Has the time to plan not come?

The objective of social work and the purpose of social aid are the same—the treatment, preferably by prevention, of social or individual factors which interfere with the good living, the proper adjustment of life.

Widening Social Problem

Personal instability and inefficiency, moral and mental deficiency and all the foibles and vagaries which are part of the complex human being, are the day-to-day experience of the social services to which bewildered and battered men and women are driven by the surging seas of life. But in recent years the tide has been bearing along in increasing numbers ordinarily capable and competent persons, swept off their feet, almost entirely by circumstances of a social nature and quite beyond their influence. And for all these the problem of social care is different—easier, in that understanding and co-operation, personal integrity and initiative are forthcoming from those victims of social disaster themselves, but more heart-rending because the forces in antagonism are so overwhelming, so beyond the reach of individual enterprise or effort. And social work is driven from the narrower channels of immediate service into broadening concepts of these contributing factors, into examination of constantly recurring causes, into intensive study of their consequences which appear inescapable.

In the family of low income or intermittent earnings, 3 major fears are always present—sickness, ill health or premature death, premature old age, and unemployment threatening to thrust them to the verge of destitution and finally into dependency. Perhaps it has always been so for the workers in the humbler ways of life, but the large scale organization of employment and the crowding of peoples into great urban centres have dehumanized relationships and inexpressibly aggravated these conditions.

As long ago as Elizabeth's reign the English Poor Law established the principle of group or community responsibility for the relief of the indigent and distressed, and our whole modern system of relief and assistance is but an enlargement and development of the responsibility then assumed. That, however, is the relief of distress, accepted and proved on the basis of need; something other is obviously needed for the protection of those who are prepared to provide to their utmost against circumstances which may reasonably arise as part of the risk and adventure of living, but who, with the best of determination and integrity in the world, find that provision beyond their unaided endeavor. And so, to meet this need, modern industrial civilization has been evolving the principle and system of social insurance, side by side with systems of social aid.

Assistance and Insurance Distinct

Social aid and social insurance are quite different and must be kept distinct:

Social Aid or Assistance is a levying on the resources of the whole community for reasonably humane relief on the basis of proved social need. Social assistance is given to the recipient on this basis of need without the necessity of establishing any contributory or contractual claim.

Social Insurance is a mutual sharing within a responsible group of certain carefully calculated risks, assessment of all the group on a just basis for these estimated costs, and then, when and if the risk arises, aid in meeting that risk on this basis of contractual right, established through proof of the existence of these circumstances and the prior payment of all the obligations involved.

Older, richer civilizations have found it necessary in recent years to introduce into their structure of social aid this principle of compulsory, contributory payment shared by the citizens who will eventually benefit. Actuarial calculations are not the field of social work, but anyone close to the increasing extent and costs of social aid in this Dominion in the last 6 years can hardly but feel that, if social security is to be established within the capacity of the Canadian people, the compulsory, contributory savings and insurance principle will have to be introduced to cover the need of dependency arising from old age (old age contributory pensions); from premature or permanent loss of the wage-earner's capacity (widows' and orphans' contributory pensions and workmen's compensation funds); from unemployment (unemployment insurance) and from ill health (health insurance).

Direct Relief or Assistance

But at the same time it must be recognized that a large part of the need which will still exist from these various causes will not be foreseen, is not assessable and cannot be included in an actuarially sound insurance plan. Thousands of the dependent group in any modern state are either not in receipt of sufficient income or too intermittently employed to make them insurable. Consequently (short of a fundamental recasting of our entire modern industrial state), side by side with social insurance measures there must be run sound measures of direct relief or public social aid.

In the field of unemployment need, for instance, unemployment insurance offers one of the few effective answers yet devised for the protection of the thrifty as against the irresponsible worker, in that in times of idleness it affords aid on the basis of earned right rather than of relief on the basis of need. It thus builds on the integrity of the individual who has tried to help himself.

But even in the best of times no such system of contributory insurance would provide full social protection for the casually employed—always and even at the present one of the heaviest items in our unemployment relief load.

Insurance Has Limits

While it is possible to evolve an actuarially sound insurance system to provide against ordinary unemployment and even to extend it to cover seasonal and cyclical unemployment of limited duration, it is highly doubtful whether any insurance system could provide against the extreme and almost catastrophic contraction of employment arising from the severe economic derangement of credit and finance in recent years.

Nor could an actuarially sound system possibly provide for the continuous burden of various forms of social aid required in our present community life for the prevention and relief of dependency arising from various causes other than unemployment, and yet against which the security of the wage-working population requires protection.

So we must visualize even with unemployment insurance the development of direct provision for those social needs not susceptible to social insurance, such as child neglect, public poor relief, etc., within the various governmental units of their respective responsibilities and with careful correlation between the functions of public welfare and private social services.

Contributory Pensions

Similarly, while it is almost certain that sooner or later provision for the mounting cost of old age pensions will have to be submitted to a contributory insurance plan, there will have to flow side by side with it relief provisions for the assistance, on a basis of actual relief of destitution, of dependent aged who are not insured, either in their own homes or in homes for the aged, etc.

As these other services develop and are established, it is almost inevitable that the mothers' allowance systems, etc., will gradually be submitted wherever possible, to the principles of contributory insurance, and widows, dependent children and orphans whose wage-earning family heads were insured, will receive grants on the contributory insurance basis, but all those to whom insurance cannot apply or did not apply will be aided as public dependents receiving direct aid from public funds on a basis of proved indigence and need.

Place of Private Enterprise

And with the question of the establishment of contributory social insurance, the possibility arises of the utilization therein of the tremendous organization and resources of the private insurance services of this country. The combination of public supervision with private enterprise has probably been a determining factor in the successful operation of the health and contributory pensions' schemes in England as contrasted with the morass into which unemployment insurance was driven. Certain it is that it would be folly of the grossest kind for Canada to embark upon plans for insurance against the costs of ill health and dependent old age without the benefit of the experience of these great private insurance groups, who, today, hold the savings of 3,500,000 of the population.

The next 5 years will probably determine the bent of all Canada's future. They cannot but record the development of a new approach to the co-operation of government and private enterprise in the development of employment opportunity and they must see the effective organization of our whole field of social aid and security.

How are we, safely, to reach these objectives? They are all related, and, obviously, call for continuous examination and study, and dispassionate recommendation, completely detached from all possible considerations of an extraneous political nature.

The Employment and Social Insurance Act of 1935, now under appeal before the Privy Council, contemplated such disinterested exploration and organization in the fields of employment, unemployment insurance, and similar consideration of the fields of public responsibility for the health needs of the people.

The National Employment Commission, set up this year, is charged with study and organization of the employment field, and that portion of the problem of social assistance involved in the relief of dependency due to unemployment.

Both set-ups contemplate the participation of voluntary effort in their study and planning. Is it beyond the limit of practical consideration to suggest, once the Privy Council's decision is known, the approximation of the duties and spheres of the two bodies, contemplated under the two statutes, and the reference to one national body of responsibility for enquiry and suggestion into the nature, cause and extent of other phases of social dependency throughout the country, with suggestions as to such coordination as would provide

(a) Wherever possible, for the introduction of the contributory principle;

(b) For clear-cut responsibilities as between federal, provincial, and municipal units of government in the assumption of such services as may be respectively assumed by each;

(c) For the retention and proper orientation of the invaluable contribution of voluntary and private philanthropy as an active partner in whatever system of public social services may be eventually developed.

Neither the enquiry nor its proposals, if pursued with single mind, would be popular from the point of view of practical political expediency, but they would be justified in the long view of statesmanship. And in the end, as in the beginning, one comes to the same necessity—ruthless separation of the whole system of public social aid from its immediate political control, especially in the units of local government.

Why not make a beginning in the avenue of greatest expenditure and most recent growth — unemployment relief? It will not be brought under fully effective control until detached from such considerations all along the line.

As a beginning in getting our house in order, the experiment might be tried of creating as a counterpart of the national body in each province, in each municipality over a given size, and in each county or similar unit covering smaller population groups, an independent commission of 3 persons, no one of whom would be a member of any elective body, and who would respectively represent and be nominated by the 3 contributing units of government—federal, provincial and municipal.

The members of all commissions would be appointed for 3 years and would be given entire freedom in employment of personnel, in expenditure within a definite appropriation, and adoption of relief procedures and practices within the area of their jurisdiction, subject only to the stipulations of the conditions on which the national commission would approve participation in each case.

Admittedly such a proposal offers difficulties, but the anticipation of difficulty is not valid argument for the abandonment of an experiment. Canadians must realize that their own indifference and a deplorably lax attitude toward political exploitation have been running through the national life stream, like a pernicious anaemia, insidiously sapping our strength and vigor, and undermining the basic standards of character and public spirit. Have we the courage and the sense of public duty to face and solve the problem?

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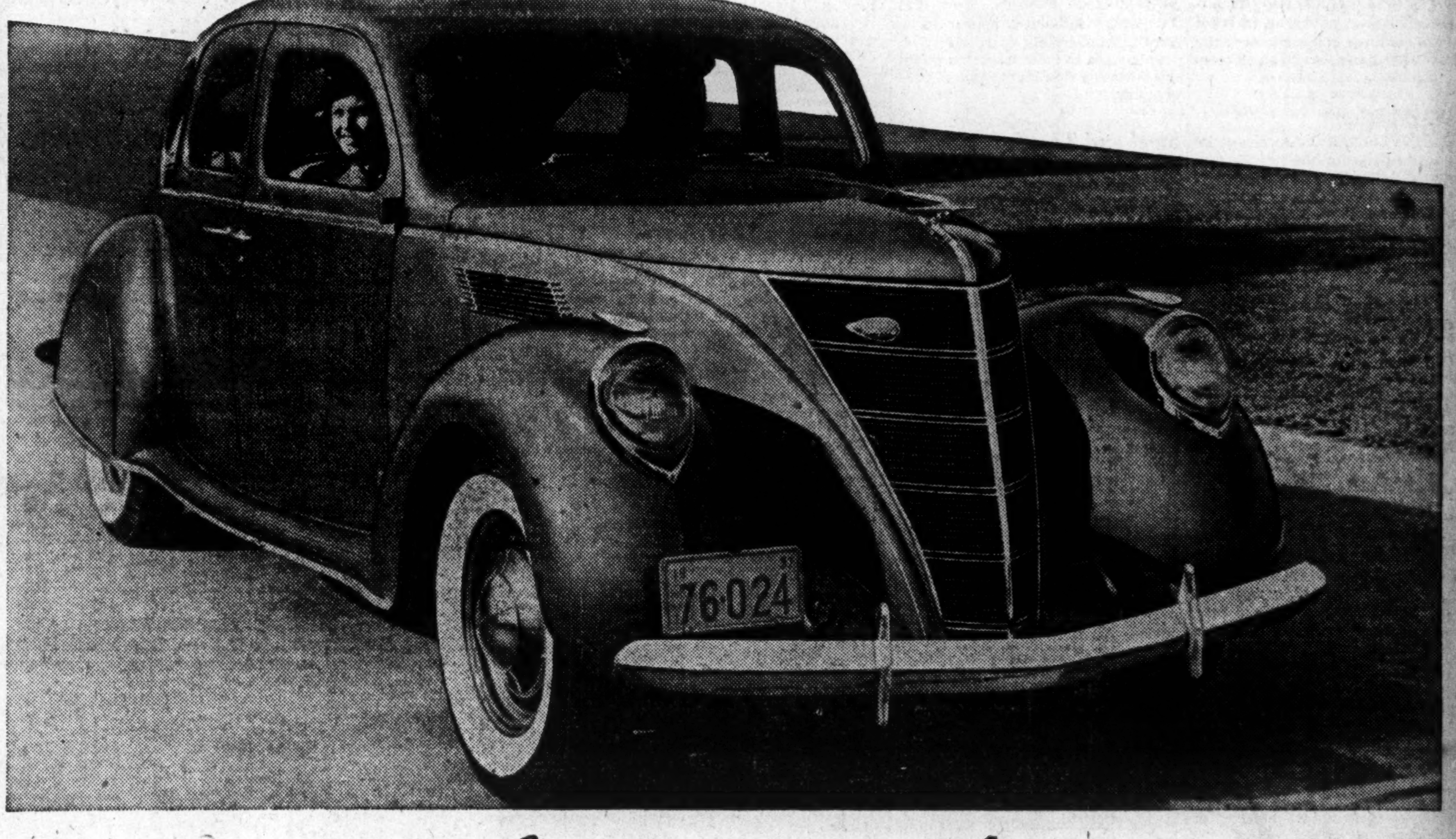
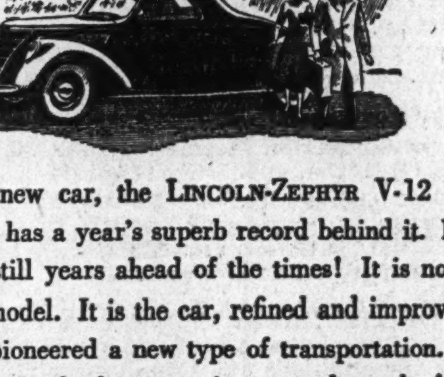


Announcing the

LINCOLN-ZEPHYR V-12

for 1937



NEW LOW PRICES FROM $1365

F. O. B. Windsor, Ontario. Accessories, taxes and freight extra.

THIS new car, the LINCOLN-ZEPHYR V-12 for 1937, has a year's superb record behind it. But it is still years ahead of the times! It is not a new model. It is the car, refined and improved, that pioneered a new type of transportation. It looks into the future to give new value today!

• This year, more than ever, the LINCOLN-ZEPHYR is priced below its specifications. In modern design, 12-cylinder power, safety, interior roominess, comfort and convenience, it sets entirely new standards in this field. And as it breaks with tradition in value, so it breaks with tradition in design!

• No other car has the LINCOLN-ZEPHYR's beauty. And beauty, here, has a reason. Beneath the swift flowing streamlines of the LINCOLN-ZEPHYR is a welded one-piece structure unique in the automotive world!

• Powering this unusual car is the Lincoln-built engine. It is of the V-type—has twelve cylinders—is built alongside the Lincoln engine in the Lincoln precision plant. *It is the Lincoln-built engine of the medium-price field.* Its 110 horsepower is more than sufficient, because of the car's aero-dynamic design and light weight, to give performance new and stimulating.

Why the LINCOLN-ZEPHYR V-12 stands out

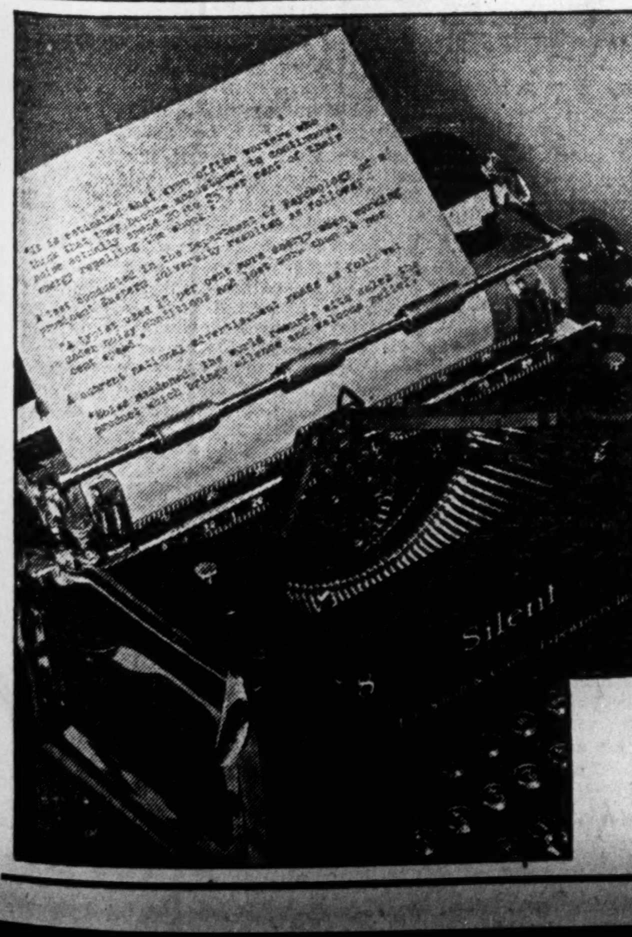
V-type 12-cylinder 110-horsepower engine.
Body and frame in a single steel unit.
Wheelbase 122 inches. Springbase 133 inches.
Low center of gravity.
Conventional running-board eliminated, allowing greater body width.
A "front-seat" ride for every one.
16 to 20 miles per gallon.
Built by Lincoln in the Lincoln plant.
"Flowing" ride—a new rhythm of motoring.
Wider range of body types.

16 to 20 Miles per Gallon

For all its size, for all its power, the LINCOLN-ZEPHYR is running up amazing records on the road. Owners report 16 to 20 miles per gallon! Credit is due not to the engine's efficiency alone, but also to streamlining, and a high power-to-weight ratio.

• Talk with the neighbor who now owns a LINCOLN-ZEPHYR. Get his impressions. If joy in motoring means to you what it has meant to him . . . as thousands of letters tell us . . . then you need this car now!

• The new LINCOLN-ZEPHYR V-12 for 1937 is now on display. The Ford Motor Company of Canada, Limited.



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Investment Trends

Stock Market Swing Interpreted Favorably

Recession After Recent Rapid Advance Regarded as Natural Reaction — Imminence of U. S. Election Adds to Uncertainties

Technical influences are regarded as the major factors in the recent recession of stock prices following the sustained advance from August into October to the highest levels of the year. Share prices are always susceptible to a decline following a marked rise, but underlying economic influences for further business recovery remain unchanged.

Because this is a period of recovery, investors are being advised to put funds in second-rate securities, bonds, preferreds and common shares. As long as prosperity is definitely approaching, profits may be made by such a policy. Eventually, however, the investor will find it advisable to switch profits into the best types of securities.

Whatever the result of the U. S. election, it appears likely to make for uncertainty in U. S. government policies for the remainder of the year.

British investors remain optimistic over prospects for pulp and paper.

Dullness Encouraging

DECLINE of market averages in New York, in comparatively dull trading, is viewed with favor by analysts of stock movements. Pronounced recovery carrying the Dow-Jones average for industrials above 178.6 would be regarded as indicative of a further advance. Meanwhile Canadian stock markets have gone ahead. The Toronto Stock Exchange index has gone well above 150 while The Montreal Stock Exchange figure has reached a new high for the year.

The factors causing a greater proportionate advance in Canadian stocks include revival of optimism for the newsprint industry, also for construction activity, and, to some extent, hopes of armament orders for steel and equipment companies. The imminence of the United States national elections is also a factor influencing New York stocks.

While continuing to express uncertainty over the possibility of immediate further advances, market analysts continue optimistic over the longer-range business and stock market outlook.

* * *

U. S. Election

ON NOVEMBER 3 Americans go to the polls for the presidential election. Although the famed Literary Digest straw polling has been indicating defeat of Mr. Roosevelt, the odds remain on the present president for re-election. Well-informed opinion in the United States seems to incline to the view that even if the present administration is returned to office the worst of government experiments in economics and business in the United States have been seen. Consequently, it is believed that no matter who is the winner the long-range outlook should be no worse, and may be better, than at present.

Tapering off of government spending in the United States may be deflationary for a time. In the long run it should contribute to business revival by restoring confidence. For 1937, however, possibilities are seen of business reversals, such as occurred in 1934; that even though another "new era" of prosperity may be on the way it may not arrive with a full brass band next year.

* * *

Newsprint Issues

RAPID rise in value of newsprint bonds and shares is illustrated by the calculations of R. O. Sweezey & Co. This firm points out that market value of newsprint securities has now risen to approximately $20,000 per daily ton of capacity of the industry, compared with $12,200 per daily ton at the end of August.

Value of newsprint securities at the low in 1932 was equivalent to only $4,800 per daily ton of capacity. Thus, the value of securities, in proportion to tonnage, has multiplied over 4 times in 4 years.

Commenting on this advance, it is stated:

"Probably the market has run too quickly in recent months and may mark time or suffer a slight reaction. However, it is now apparent that the industry will be in a position to produce an adequate return on invested capital not later than the calendar year 1938."

The question for the individual investor to decide is whether he wishes to pay present prices for newsprint securities in expectations of "an adequate return" in 1938.

It appears that the best way of taking a gamble in newsprint is to purchase first mortgage bonds in the hope that eventually settlement of arrears will result in distribution of equity securities, as well as new bonds, thus giving the bondholder a share in any future prosperity in the industry in exchange for the risks and disappointments of the past 7 years.

* * *

Germany and Inflation

FROM the investment viewpoint, the immediate importance of the new trade agreement with Germany is that Canadian holders of German 7% bonds due 1949 and the 5½'s due 1965 will receive equal treatment with American holders.

There is the further implication in such agreements that widening of markets for our raw materials tends to stiffen prices. Currency devaluation and credit expansion may become more effective in raising prices and costs of living as international trade expands. Now that inflationary influences appear to be growing moderately more effective, people seem to have forgotten about this formerly dominant topic of conversation.

* * *

Steel and Textiles

IN NEGOTIATING new Empire trade agreements with the British Government, it is expected Ottawa will make some concessions in connection with British iron and steel products and to British woollens. What may be done for other textile lines is less certain.

Tariff uncertainty has obviously tended to weaken Canadian textile shares. On the record of many years' results, there are attractions in shares of such companies as Penmans, Dominion Textile, Montreal Cottons and Cosmos. But investors who value their peace of mind are avoiding many of them.

Because of considerable variation in activities of different steel companies, it is impossible to appraise in advance what may be the effect of tariff changes on British iron and steel products. Meanwhile, however, the investor may do well to keep in mind the fact that steel and textiles are, to some extent, on the auction block of Empire trade.

Dosco Plans Renovations

From Our Own Correspondent

MONTREAL.—Reports that Dominion Steel and Coal Co. would spend about $1 million on the modernization of the Sydney steel mills is neither denied nor confirmed by Arthur Cross, president of the company. However, he said Dosco was "fully awake to the necessity of maintaining the plant in a state of efficiency and of improving it to keep abreast of the times and of competitors."

The unofficial report is that plans call for the erection of 2 new open-hearths near the Blooming Mill end of the Sydney steel plant and 2 new boilers for No. 3 power house.

The engine in the bar mill will be replaced by a large motor and various other changes which will electrify numerous departments of the plant are contemplated.

Erection of a new coal bridge running from the blast furnace to the coke ovens will get under way shortly. It is stated the new bridge has been built by the Dominion Bridge Co. at Lachine, P.Q., and will be brought to Sydney shortly and placed in position.

Present carloading plants at the piers are to be replaced by a "Toledo-style" plant, it is said.

INVESTMENT SUGGESTIONS

	Interest Rate	Maturity	Approx. Yield
Dominion of Canada	3¼%	1956-66	3.18%
C.N.R. Gtd. by D. of C.	3%	1945-50	3.00%
Province of New Brunswick	3%	1951	3.32%
Province of Quebec	3%	1951	3.06%
Canadian Pacific Railway	3%	1945	3.66%
Gatineau Power Co.	5%	1956	4.84%
Power Corp. of Canada	4½%	1959	4.46%
Union Gas Co. of Canada	4½%	1950	4.35%
Dryden Paper Company	6%	1949	5.83%
Gt. Britain & Can. Inv. Corp.	4½%	1959	5.43%
International Bronze Powders	6%	Preferred	4.84%
Power Corp. of Canada	6%	Part. Pfd.	5.88%

Full particulars on request

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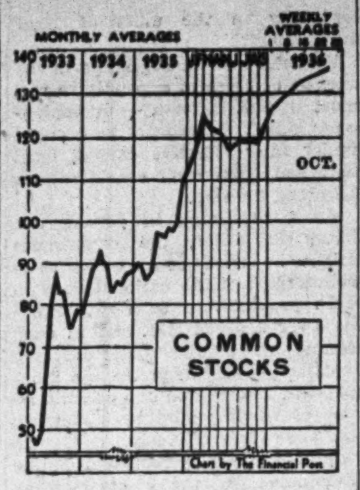

ANOTHER TOP

Marking another record high for this year, the Dominion Bureau average for common stock prices was 134.4 for the week ended Oct. 22, compared with 101.5 in the corresponding 1935 week. The average for October should be well above the highest previous levels of this year. Comparative figures appear on this page.

Freiman to Pay Pref. Dividend Only if Earned

Sales in 1936 to Date Are About Same as Last Year

Further dividends on the 6% cumulative preferred stock of A. J. Freiman Ltd., Ottawa department store, will only be paid to the extent warranted by earnings, according to an announcement by A. J. Freiman, president.

Preferred dividends have been paid in full up to and including Oct. 1, 1936, although there were no earnings available for dividends in fiscal years ended Jan. 31, 1934 and 1933. In the year ended Feb. 2, 1935, earnings amounted to $2.12 a share on the preferred and in the 11 months ended Dec. 31, 1935, 18 cents a share, as against preferred dividend requirements of $6 a share. Payment of dividends in these years were made out of accumulated surplus.

To Wait For Year's Results

Directors have decided that requirements of the business and the interests of preferred shareholders will not permit payment of further dividends out of surplus. Payment of further dividends, therefore, has been deferred, at least until the results of the current year are available. Directors then hope to be in a position, according to a letter sent to shareholders, to decide that dividends can be resumed on a yearly or half-yearly basis. It is probable if resumption of dividends is decided upon that it will be at a reduced rate.

Sales for the current fiscal year, to date, Mr. Freiman states, have been approximately the same as for the corresponding period of last year. As the bulk of the company's profits are made during the last 3 months of the year, it is not possible to forecast the results for the current year.

C.P.S. Income Changes Little

Can. Public Service Adds to Charges Against Revenues

From Our Own Correspondent

VANCOUVER. — Despite special costs and write-offs and a loss of $7,500 by Inland Ice and Cold Storage Co., net profits of Canadian Public Service Corp., were approximately the same in the fiscal year ended June 30, 1936, as in the previous year.

In a statement to shareholders Gen. J. A. Clark, president, states that gross revenue for the year of $402,138 was higher by $1,769. Revenues of the telephone and hydro companies were the highest since Canadian Public Service acquired them, but the gains were offset to some extent by losses of the cold storage plant.

Comparison of Results

Net profit of Canadian Public Service Corp. was $6,623, compared with $8,757 in the preceding year. This compares with preferred dividend requirements, which are not being met, of over $64,000 annually.

An increase of over $40,000 for taxes, maintenance and depreciation has been charged against this year's earnings. Thus the new report is not strictly comparable with that for 1935. Also, the only income from Nanaimo-Duncan Utilities included in the income account is actual dividends received.

Controlled Companies

The following companies are controlled by Canadian Public Service:

West Canadian Hydro Electric Corp., which owns 65% of the common stock of Nanaimo-Duncan Utilities;

Canadian Western Telephone Co.;

Inland Ice & Cold Storage Co.

These concerns operate in the Okanagan district with the exception of Nanaimo-Duncan Utilities on Vancouver Island.

Decline in cold storage revenue was due largely to lateness of the 1935 apple crop and consequent frost damage. Improvement is expected this year, says Gen. Clark.

Pete Output Grows From Its S. A. Fields

International Petroleum Co. showed larger daily average production in September than in the year to date and much larger than in the calendar year of 1935.

Crude Output in 1936

	Peru bbls.	Colombia bbls.
September	1,293,087	1,575,273
Jan.-Sept.	11,233,765	13,976,503

Crude Output Daily Averages

	Barrels
September, 1936	95,612
Average for 1935	88,643
Average 9 mos., 1936	92,345

Investment Notes

Dome Mines—Broad St. Investing Co., New York, disposed of its 200 shares in the quarter ended Sept. 30.

* * *

Imperial, Pete — Purchases of Standard Oil of New Jersey shares in New York are reported to have come from sources well-informed on the company's affairs. This company controls Imperial Oil Ltd. and through Imperial holds a majority interest in International Petroleum, colloquially known as "Pete." And when Imperial and Pete were in a slump a few weeks ago the purchasing of these shares was also described as of high quality.

* * *

Burns & Co.—Although total earnings have run somewhat below those for 1935, sales have been up. And in recent months earnings have been ahead of last year's levels. Thus the company has been making up for leaner periods early this year and final earnings may not be greatly below those for 1935.

* * *

Stop & Shop—As a consequence of the joining of interests with Thrift Stores, Montreal, a statement is being prepared for shareholders which will make its appearance shortly. This will clarify the position of the companies for the benefit of investors.

* * *

International Nickel — Thomas Morrison, director, reports holdings of 32,289 shares. Grant B. Shipley, director, decreased his holdings by 500 shares to 1,052 in August.

* * *

Int. Paper & Power—Malcolm G. Chace, a director, in August decreased his holdings of class B common by 5,000 shares, holding 5,900 class A, 3,300 class B, 1,400 class C common, and 2,500 preferred. R. J. Cullen, president, reduced his holdings of class A common from 1,900 to 600, his class C from 2,010 to 210 and acquired 600 shares of 7% preferred, holding 1,100. H. A. Colgate, a director, disposed of 200 preferred shares, retaining 400. C. D. Young, secretary, acquired 100 preferred shares.

* * *

Walker, G. & W. — George T. Chisholm, a director, acquired 100 shares, holding 500.

* * *

Burry Biscuit Corp. — George W. Burry, president, held 4,000 of the old common shares last April, which would now give him 16,000 of the 400,000 outstanding shares. J. B. White, Toronto director, held 3,130 common shares and 65 preferred shares.

* * *

Twin City—Rise of the traction company's preferred and common shares reflects possibilities of dividends, based on improved earnings. The preferred will be in arrears $35 a share at the end of this year.

* * *

Consolidated Paper — Issue of common shares for bond interest due over 2 years would involve a total additional amount of 514,069 shares. There are only 465,275 shares unissued. But even if it wanted to settle 3 or 4 years' interest by issue of shares the company could easily get supplementary letters patent to increase the authorized share capital; provided, of course, that such a scheme is approved by investors.

* * *

Blue Ribbon — Officials inform The Financial Post they are optimistic enough to hope for quite an improvement this year. An investor who is thoroughly acquainted with the company's affairs says he is sticking with his preferred shares.

* * *

Canadian Car—The preferred and common have come in for considerable trading following the news that the company had acquired rights to manufacture certain types of airplanes. Rumors of war orders have been officially denied, though the company hopes to get such work later on.

* * *

Canadian Vickers—The common stock moved up several points in the past week. The company is not doing much better than earning bond interest, but as with Canadian Car, the hope of war orders has stimulated speculative interest. Any company capable of turning out war materials is being closely watched these days.

* * *

Dosco—The B stock has been traded in around 8 to 8½—the best level in the last 6 years. It is officially intimated earnings for 1936 are not going to show any material change over 1935. However, the outlook is better and as a low-priced stock, the B shares are favored in many quarters.

* * *

General Steel Wares—Has come in for more attention market-wise. This company's earnings have been increasing steadily and, before long, it is expected that steps will be taken to strengthen the financial position through refunding the bonded debt on a lower interest basis. There is also the likelihood of some plan being put forward for liquidation of arrears on the preferred.

* * *

Massey-Harris — Reports persist that the company will benefit from British Government purchases of armaments or parts in Canada, and were apparently responsible for the present sudden rise of the preferred shares above 30. However, the reports cannot be confirmed officially, although they continue to go the rounds.

* * *

Hudson Bay, Bulolo—Tri-Continental Corp., American investment trust, disposed of all 6,500 of its shares of Hudson Bay Mining & Smelting Co. in the quarter ended Sept. 30. It also sold its 800 Bulolo Gold Dredging.

G. Tamblyn Ltd. New Stock Listed

New preference and common shares of G. Tamblyn Ltd. were called for listing on the Toronto Stock Exchange Oct. 27. The new shares were issued in connection with the recent refinancing whereby the old 7% preference shares were called for redemption and the common stock split 4 for one. The old stock was delisted from trading with the listing of the new.

Sales for 7-week period ended Oct. 17 showed an increase of 5.21% over the corresponding period of 1935, according to an official announcement. Profits also showed a satisfactory increase during this period The Financial Post is informed. This marks a reversal in the trend which was evident during the first 8 months of the year. In the 8 months ended August 31, 1936, net earnings showed a decrease of $22,837 before taking into account $9,913 profit on sale of securities. This decline in earnings was due to conditions in the trade which made it impossible for the company to adjust retail prices so as to absorb the increased sales tax in the early months of the year.

Significant Investors' Index Numbers

1926 = 100

	Iron and steel	Pulp and paper	Milling	Oils	Textiles and clothing	Food and allied products	Beverages	Total industrials	Total utilities	Total co's.
No. of Securities	15	8	5	5	11	18	9	89	23	112
1929-35:*										
High	388.9	113.4	273.4	423.5	113.5	197.8	205.4	317.6	166.0	232.6
Low	39.8	2.8	37.7	83.6	28.0	72.1	28.5	49.3	33.1	40.9
Monthly Figures, 1936:										
January	130.3	18.6	80.0	231.0	75.5	153.6	151.7	187.7	52.4	117.8
February	140.5	20.2	84.3	246.5	74.0	158.7	151.7	200.0	57.0	126.1
March	136.5	18.5	88.7	237.3	73.1	153.0	140.1	194.8	55.5	122.8
April	131.7	17.5	91.0	244.5	71.3	150.7	131.7	194.2	53.2	121.4
May	125.1	16.7	87.3	234.0	68.1	145.7	131.4	187.9	52.5	117.9
June	125.3	17.5	86.5	228.1	67.4	149.2	129.3	189.3	53.3	119.0
July	126.0	18.6	87.0	224.3	66.8	153.9	131.6	190.1	53.8	119.6
August	128.5	18.0	89.9	218.9	68.0	157.1	135.7	191.4	53.1	119.9
September	137.9	20.3	93.9	220.6	70.6	162.5	138.2	200.6	54.8	125.2
Weekly Figures, 1936:										
Oct. 1	141.0	21.7	99.0	225.7	71.2	166.5	132.1	205.2	55.2	127.1
Oct. 8	149.5	24.8	100.3	230.0	73.3	170.2	132.5	210.3	59.2	131.5
Oct. 15	151.7	24.6	100.4	236.7	73.7	171.2	133.6	213.8	60.2	133.7
Oct. 22	151.2	25.7	103.5	239.3	73.6	173.2	133.3	216.0	59.4	134.4

*High and low of years from 1929 to 1935 inclusive are based on weekly figures. Compiled from figures issued by Dominion Bureau of Statistics.

Toronto Stock Exchange Index

	20 Indus.	20 Golds	20 Misc. Mines
Oct. 27	151.92	136.74	155.15
Oct. 26	150.92	136.13	155.55
Oct. 24	152.78	136.62	156.96
Oct. 23	152.34	136.59	157.49
Oct. 22	150.50	136.20	157.52
Oct. 21	151.30	137.22	156.46
Month ago	142.14	138.44	151.90
Year ago	118.12	105.37	95.47
High, 1936	152.78	150.46	158.70
Low, 1936	125.71	115.97	123.39

Montreal Averages

	10 Util.	20 Indus.	30 Comb'd
Oct. 27	76.8	88.4	84.5
Oct. 26	76.0	87.8	83.9
Oct. 24	77.0	88.7	84.8
Oct. 23	76.9	87.8	84.1
Oct. 22	77.0	87.4	83.9
Oct. 21	76.7	88.4	84.5
Month ago	74.0	81.3	78.9
Year ago	62.3	61.4	61.7
High, 1936	78.5	88.7	84.8
Low, 1936	67.2	69.5	68.9

NEW ISSUE

$350,000.00

Port Royal Pulp & Paper Co., Limited

5% First (Closed) Mortgage Serial Bonds

To be dated November, 1936. Maturing $70,000 each year 1st November, 1937, to 1st November, 1941

Principal and semi-annual interest (1st May and 1st November) payable in lawful money of Canada, at the holder's option, at the offices of the Company's bankers at Saint John, Halifax, Toronto and Montreal. Denominations, $1,000. Callable on 30 days' notice on any interest date at 101 and accrued interest.

Trustee: Eastern Trust Company

COMPANY: The Company was incorporated in March, 1932, under Dominion Charter to take over the pulp mill located at Union Point, Fairville, Saint John County, N.B., formerly owned by the Nashwaak Pulp & Paper Company, Ltd.

SECURITY: First charge on lands, buildings, plants and equipment now owned by the Company, or hereafter acquired. Debentures will also be secured by a floating charge on the undertaking and all other assets, present and future of the Company.

EARNINGS: For the year ended May 31, 1936, earnings available for bond interest, depreciation and income tax, amounted to $136,071.70 or more than seven and one-half times mortgage interest charges on the first mortgage bonds presently to be outstanding. Interest requirements on this issue will be $17,500 for the first year, and decreasing amounts thereafter. It is estimated that as a result of the new additions and changes in plant presently being made, net earnings will be substantially increased.

PURPOSE OF THE ISSUE: The proceeds of the issue will be used to retire present outstanding issue of $200,000 of 6% bonds maturing January 1938, and the balance for additions and improvements to the mill, which will increase capacity of mill to 125 tons of bleached sulphite per twenty-four hours or 110 tons of rayon pulp. For the past two years the mill has operated at capacity, and has brought the production for that time up to 27,000 tons annually.

PRICE: 101 and accrued interest

Copy of Prospectus which has been fyled with the Secretary of State of Canada, in accordance with the provisions of the Companies Act, 1934, will be furnished on request.

We offer these 5% First Mortgage Serial Bonds subject to prior disposal and change in price, if, as and when issued and accepted by us, and subject to the approval of Messrs. Lewin & Carter, Saint John, N.B., for the Underwriters and Messrs. Sanford & Teed, Saint John, N.B., for the Company.

Eastern Securities Company Limited

(INCORPORATED 1910)

Halifax, N.S. Saint John, N.B. Moncton, N.B.
Summerside, P.E.I. Charlottetown, P.E.I.

Province of Nova Scotia

3% Debentures, due November 2nd, 1956

Price: 97 and interest yielding over 3.20%

Nova Scotia has the third smallest per capita gross funded and temporary debt of all the Canadian Provinces. Budget estimates for year ended November 30th, 1936, indicate a revenue surplus exclusive of Sinking Fund provision. Recent figures indicate that budget estimates will be realized.

We shall be glad to forward descriptive circular upon request.

Wood, Gundy & Company Limited

36 King Street West Toronto

Toronto, Montreal, Winnipeg, London, Eng. — TELEPHONE: ELGIN 4321 — Ottawa, Hamilton, Vancouver, London, Ont.

United Corporations Pays Dividend on Arrears

MONTREAL.—Directors of United Corporations, Ltd., an investment trust of the management type, declared a dividend of $1 a share on the class A stock on account of arrears. After payment of the dividend, which will take place Nov. 16, the dividend arrears will amount to $3.37½ a share.

Wabasso Cotton Co. Changes Head Office

From Our Own Correspondent

MONTREAL. — Supplementary letters patent have been taken out by the Wabasso Cotton Co., confirming special by-law "C," changing head office of the company from Montreal to Three Rivers. This by-law was approved by shareholders at a meeting held May 13 last.

SELECTED CANADIAN INDUSTRIAL STOCKS

We have prepared an analysis of thirteen industrial companies, selected on their popularity by ten leading brokers—five in Montreal and five in Toronto. Copies available upon request.

F. O'HEARN & CO.

STOCKS - BONDS - GRAIN

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MEMBERS: The Toronto Stock Exchange, Montreal Curb Market, Winnipeg Grain Exchange, Chicago Board of Trade, Canadian Commodity Exchange Inc.

OFFICES: Toronto, Montreal, Hamilton, Ottawa, Sudbury, Cobalt, Kirkland Lake, Sarnia, Noranda, Owen Sound, Timmins, North Bay, Bourlamaque

NOTICE TO HOLDERS

—OF—

German Government External 7% Loan of 1924 (Dawes Loan) American Tranche, and

German Government 5½% International Loan of 1930 (Young Loan) American Tranche

Acting by request of the Minister of Finance, the Bank of Canada hereby gives notice of an undertaking by the German Government with respect to the interest service on the above-mentioned loans.

The German Government has given an undertaking effective November 15, 1936, to provide the Bank of Canada with funds to purchase for the account of the German Government the interest coupons of the above-mentioned loans falling due after November 15, 1936, subject to the following conditions:

(a) The price of each semi-annual coupon which may be purchased will be the equivalent of twenty dollars lawful money of the United States of America for each one thousand dollars of nominal value of the bond, and will be paid in Canadian dollars on the basis of the current rate of exchange on the day each such coupon falls due, and not on a gold basis. (The interest rate in U.S.A. dollars will therefore be at the rate of 4% per annum.) It is provided, however, that so long as payments at the rate of 2½% semi-annually are made to any United States holder of the interest coupons of the German Government External Loan of 1924 (Dawes Loan) the same price will be paid for such coupons if stamped "Canadian Holder" as hereinafter provided.

(b) Any Canadian owner who desires to take advantage of this arrangement must present his bonds and coupons to the Bank of Canada, Ottawa, to be stamped "Canadian Holder" and at the same time must furnish a declaration, on the form provided for that purpose, that:—

(1) He is the owner of the bonds and coupons presented for stamping;

(2) He is now domiciled in Canada and was domiciled in Canada on October 1, 1935;

(3) The bonds and coupons presented for stamping were owned by a person domiciled in Canada on October 1, 1935.

("Canadian owner" includes corporate persons.)

(c) Any Agency of the Bank of Canada will accept bonds and coupons with accompanying declarations to be transmitted to the Head Office of the Bank in Ottawa to be stamped. Branches of chartered banks or other appropriate agencies acting for owners should forward the bonds and coupons with accompanying declarations to the Bank of Canada, Ottawa, or to any of its Agencies. The Bank of Canada, Ottawa, will stamp the bonds and all coupons falling due after November 15, 1936, and return them to the presenting person.

(d) Bonds and coupons may be lodged forthwith for stamping but must be lodged not later than the close of business on November 30th, 1936. Bonds and coupons will not be accepted for stamping after that date.

(e) The arrangement is made without prejudice to the rights of persons who do not elect to accept it.

Declaration forms may be obtained from any office of the Bank of Canada.

Coupons which have been stamped may as they fall due be lodged for collection at any Agency of the Bank of Canada or through any appropriate agency and will, as funds are provided by the German Government, be purchased by the Bank of Canada, Ottawa.

All correspondence or enquiries in connection with this arrangement should be addressed to the Secretary, Bank of Canada, Ottawa.

Ottawa, October 26th, 1936.

HANSON BROS.
INCORPORATED

ESTABLISHED 1883

Government, Municipal
Public Utility and
Industrial Bonds

Head Office:
255 St. James St.
MONTREAL

OTTAWA TORONTO

HUDSON BAY MINING AND SMELTING

Second in zinc, third in copper, this Company has attained important place among Canadian producers of base metals.

Analysis on request

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Members Montreal Stock Exchange
Montreal Curb Market
507 Place d'Armes, Montreal
TORONTO OTTAWA QUEBEC
SHERBROOKE 76

Prospectus and semi-annual report of Canadian Investment Fund, Ltd., obtainable from your own investment dealer.

CALVIN BULLOCK, LTD.

The Consumers' Gas Company of Toronto

NOTICE
of
ANNUAL MEETING

The ANNUAL GENERAL MEETING OF THE SHAREHOLDERS of The Consumers' Gas Company of Toronto, to receive the report of the Directors, for the Election of Directors for the ensuing year and for the transaction of such other business as may properly be transacted at the meeting, will be held in the Company's Auditorium, 55 Adelaide Street East, Toronto, on MONDAY, the 9th DAY of NOVEMBER, 1936, at 12 o'clock noon.

By Order of the Board,
EDWARD J. TUCKER,
Secretary.

Toronto, October 19th, 1936.

APPLICATIONS FOR CLERK-TREASURER

The City of Kingston is hereby inviting applications for the position of Clerk-Treasurer, with a minimum salary of $3,500 and a maximum of $4,500 with an annual salary increment of $75 per year until the above maximum is reached, the fees and perquisites of the offices to be the property of the Corporation. Applicants should have a knowledge of municipal accounts, financial practices and experiences in office organization. Applicants should give their age, outline of their education, experience, and previous employment, the names of three references, and should, if possible, be available for a personal interview. Applications must be in the hands of the City Clerk by November 4th.

NOTICE

IN THE MATTER OF an enquiry into the financial affairs of the City of Calgary.

Notice is hereby given to all parties holding City of Calgary debentures, or other securities, that the Council of the said City of Calgary has made application to the Board of Public Utility Commissioners of Alberta, for the holding of an inquiry into the financial affairs of the City of Calgary in accordance with the provisions of Part IV of The Public Utilities Act of the Province of Alberta.

And notice is further given that the said Board has fixed MONDAY, the 16th day of NOVEMBER, 1936, commencing at 10.00 o'clock in the forenoon, in the Court House, City of Calgary, as the time and place for the opening of such enquiry.

All communications regarding such enquiry are to be addressed to the undersigned,

G. A. THIBAULT,
Secretary, Board of Public Utility Commissioners of Alberta,
Administration Building, Edmonton, Alberta.

Bond Markets

German Debt Offer Expires on Nov. 30

Discrimination Against Canadian Holders of German Bonds Removed — High Grade Market Still Drifts Lower

Interest in high-grade government bonds as investments is lacking at present. Liquidation has been comparatively small, but at the same time buying orders in any volume have not been forthcoming. As a result prices have drifted lower.

Present indications are that the upward trend in prices of government bonds which has been evident during the past year is over. On the other hand, no major decline in bond prices is expected. It is probable prices will remain high for some time, fluctuating within narrow limits.

The Nova Scotia issue of $2.1 millions of 3% 20-year bonds has been well received.

Howard Smith Paper Mills refunding issue of $6.3 millions of first mortgage bonds has had excellent reception. A large part of the offering was subscribed for by holders of the 5½% bonds before the public offering was made.

Refunding of $1.2 million of 6% first mortgage bonds of Canada Paper Co., a subsidiary of Howard Smith Paper Mills, is under consideration.

Holders of bonds of the United States of Brazil are receiving interest payments at reduced rates, under an arrangement made early in 1934. Since the scheme comes up for review in September next, the view held in some quarters that the amount of foreign exchange derived by the Brazil Government from the requisitioning of 35% of the value of export bills is more than sufficient to maintain debt service, is of interest to bondholders. Recently the Journal of Commerce, Rio de Janeiro, published several articles in which it was stated that foreign debt service is not dependent entirely on the balance of trade.

German Bonds

CANADIAN holders of German government bonds issued under the Dawes plan of 1924 and the Young plan of 1930 wishing to take advantage of the recent servicing arrangement, must lodge their bonds with the Bank of Canada for stamping on or before Nov. 30, 1936.

The agreement made by the federal government, coincident with the Canadian-German trade pact, is the outcome of many months of negotiations, and provides that Canadian holders are to receive the same treatment as United States holders. The agreement between United States and Germany was made in September, 1935.

On the 7% Dawes loan of 1924 the interest rate in U. S. dollars is to be 5% per annum and on the 5½% Young loan of 1930 the rate is to be 4%. The Bank of Canada will pay the semi-annual coupons at these rates in Canadian dollars on the basis of the current rate of exchange on the day the coupon falls due. The rate of 5% on the Dawes loan bonds as against 4% on the Young loan is to be paid only so long as payments are made at this rate to United States holders.

Holders presenting bonds to be stamped must furnish a declaration they own the bonds presented; that they were domiciled in Canada on Oct. 1, 1935. The arrangement does not prejudice the rights of persons who do not accept it.

The arrangement removes the discrimination that has existed against Canadian holders of German bonds since Sept., 1935. While United States holders were able to secure reduced interest payments in cash, Canadian holders could only secure payment in blocked reichmarks. The usual practise was to sell the interest coupon to a New York dealer for about 50% of its face value. The dealer in turn converted the coupon into reichmarks for which he had a market.

* * *

Bond Sales

DUE principally to the large amount of corporation refunding that has been undertaken, sales of Canadian bond issues in the first 10 months of 1936 have shown an increase of over $275 millions compared with the same period of 1935. Sales for the period, according to a review prepared by Dominion Securities Corp., total $739 millions, exclusive of Dominion of Canada treasury bills. Details of sales, classified as to borrowers, are as follows:

Sales of Canadian Bonds
10 Months ended Oct. 31

	1936 $	1935 $
Dom. of Canada*..	282,335,600	271,000,000
Provincial	68,624,000	80,005,000
Municipal	42,400,841	33,005,000
Public utilities ...	115,275,000	5,538,000
Railways	133,000,000	48,400,000
Industrial & misc.	97,921,424	26,263,600
Total	739,556,865	464,211,600

*Not including Dominion of Canada treasury bills of less than 1 year which have totalled $360,000,000 in 1936 as compared with $238,000,000 in the same period of 1935.

* * *

Market Notes

WHILE high-grade government bonds have suffered further recessions, the price trend of corporation bonds has been almost uniformly upward.

Newsprint bonds continue as trading favorites, with Consolidated Paper 6's holding the spotlight. Reports that interest on Consolidated Paper bonds will be paid in stock and issued in one block resulted in advance of 7 points to 68½.

Beauharnois Power 5's have advanced 2 points on the strength of unconfirmed reports that the company has arranged to sell 200,000 h.p. to Niagara Hudson Power Co.

The better tone for western provincials continues. Price action, however, has been somewhat erratic.

The trend of the high-grade market is indicated below:

The Financial Post Index of Average Price and Yield of High Grade Government Bonds

	Price	Yield		Price	Yield
Oct. 27	115.16	3.209	Oct. 28	110.54	3.707
Oct. 27	000.00	0.000	Oct. 28	110.54	3.707
Oct. 26	115.23	3.209	Oct. 26	110.46	3.716
Oct. 24	115.39	3.185	Oct. 25	110.43	3.717
Oct. 23	115.39	3.185	Oct. 23	110.75	3.689
Oct. 22	115.43	3.183	Oct. 22	110.36	3.726
Oct. 21	115.36	3.194	Oct. 21	109.91	3.763
Year's	117.91	2.966	Year's	114.97	3.367
Range	111.50	3.597	Range	106.57	4.097

Municipal Finances

Harrison, Ont., has made arrangements to pay off the bonds of Royal Sterling Products Co. Ltd., which it had guaranteed to the amount of $35,000. The company defaulted on its bonds early in September.

* * *

Stratford, Ont., reports that from April to September relief costs at $63,307 were $42,056 less than for the corresponding months of 1935.

* * *

St. Michel de Mistassini, Que., has been authorized by the Quebec Municipal Commission to pay coupons dated on or prior to Nov. 1, 1934.

* * *

Calgary, Alta., street railway had a deficit of $32,200 for the first 9 months of the year. Revenue showed an increase and expenditures a decrease compared with 1935. For the 1936 period, revenue totalled $487,340 and expenditures $519,540, while in the 1935 period, revenue amounted to $470,996 and expenditures $527,455.

* * *

Woodstock, Ont., is maintaining its reputation as one of the best tax collecting municipalities in Canada. Payments of 1936 taxes to date total $302,138 or 89.5% of the levy.

* * *

Aylmer, Que., has been authorized by the Quebec Municipal Commission to pay interest coupons of May 1, 1933; Nov. 1, 1933; and May 1, 1934.

* * *

Brandon, Man., will have to pay E. A. McPherson, K.C., a salary of $5,000 per annum as supervisor. This is the amount provided for by an order-in-council passed by the provincial government.

Classified Advertisements

Classified ads cost 4c. per word and figure for each insertion. Minimum ad, $1.75. Three insertions for the price of two. Add five words when box number is required. Classified ads payable in advance.

Executive - Accountant

YOUNG MAN, 29, NOW EMPLOYED, IS interested in making change to position with some firm offering greater future. Eight years office and selling experience and two years as executive. Good character, personality, first class references. Box No. 363, The Financial Post, 481 University Avenue, Toronto, Ont.

Bond Sales

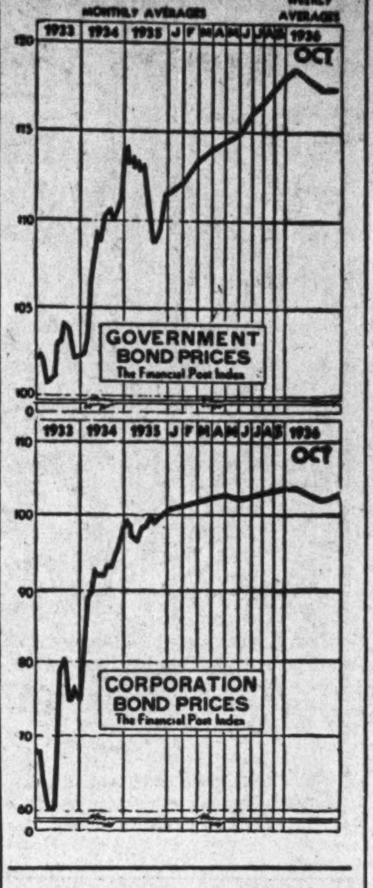
Nova Scotia

The province of Nova Scotia has sold $2,103,000 of 20-year 3% non-callable debentures to a syndicate headed by Wood, Gundy & Co. The bonds mature Nov. 2, 1956, and are payable at Halifax, Montreal or Toronto. The offering price is 97 and accrued interest to yield 3.20%.

The purpose of the issue is to provide funds for the redemption of an issue of $1.8 million of 6% bonds maturing on Nov. 1, against which the province holds a sinking fund of $500,000. The balance is to be used for general purposes.

Tenders were called on 3% and 3¼% 20-year bonds. Bids were as follows:

	Bids 3's	Bids 3¼'s
Royal Bank; Canadian Bank of Commerce; Wood, Gundy & Co. Ltd.; A. E. Ames & Co. Ltd.; Dominion Securities Corp. Ltd.; Eastern Securities Co. Ltd.	95.077	97.777
Dominion Bank; Bank of Nova Scotia; McLeod, Young & Weir Co. Ltd.; Bell, Gouinlock & Co. Ltd.; Mills, Spence & Co. Ltd.; Irving, Brennan Co. Ltd...	92.50	.....
Bank of Montreal; Royal Securities Corp.; Meade & Co.; Hanson Bros. Inc.; McTaggart, Hannaford, Birks & Gordon Ltd.	94.47	97.67
Griffis, Fairclough & Norsworthy Ltd.; J. L. Graham & Co.; Gairdner & Co. Ltd.; Fry & Co.	93.00	.....



Howard Smith Refunds Issue

New Serial Bonds Lower Interest Charges on Debt

From Our Own Correspondent

MONTREAL. — Howard Smith Paper Mills is raising $6.3 millions of new capital which will be used to retire the presently outstanding 5½% first mortgage bonds of 1953. A public offering of serial bonds is being made through Wood Gundy and Co. at 101 and accrued interest. The issue is divided into $1 million of 3% serial bonds, $250,000 being retired each year from 1937 to 1940; $1.3 millions of 3½% bonds, $250,000 being retired in 1941 and $350,000 annually in the next 3 years; $700,000 of 4% bonds, which will be retired in 1945 and 1946; $3.3 millions of 4¼% 15-year bonds.

Issue More Stock

Following the completion of the current financing, the company will have outstanding in addition to the new first mortgage serial bonds, $6,160,700 of 6% cumulative preferred stock and 274,452 shares of no par value common stock. This contrasts with $4.5 millions of preferred and 220,000 shares of common stock at the end of last year. The increase in issued stock is due to liquidation of dividend arrears on the preferred. This move called for the issuance of more preferred and common shares. Other stocks were issued in exchange for stock of Canada Paper Co. and Alliance Paper Mills.

Howard Smith now controls 75% of the common stock and over 73% of the preference stock of Canada Paper Co.; over 98% of the stock of Federal Paper Co.; and over 99% of stock of Alliance Paper Mills.

Gain in Earnings

In connection with earnings and finances, the prospectus states that for the 9 months ended Sept. 30 last, operating profits of the company, before providing for bond interest, depreciation, depletion and income taxes, were $23,869 greater than for the corresponding period of 1935.

The consolidated balance sheet at the end of September last showed an increase in bank loans since the end of 1935 from $46,000 to $280,000. In addition there are deferred bank loans of $550,000. Accounts and bills payable show a moderate increase, while accrued liabilities increased from $112,298 to $239,142. On the other hand bonds of subsidiary companies in the hands of the public declined during the period from $2,176,000 to $1,101,500. Howard Smith's own funded debt was reduced by $249,000 to $6.3 millions. Outstanding preferred stock of subsidiary companies declined from $2,256,600 to $1,235,500.

There were no major changes among the assets during this period.

Bond Redemptions

Bond Issues:	Rate	Year	Date	Price
Can. Cement	5½%	1947	Nov. 1	104
Gt. Lakes Pwr..	6%	Serial	Nov. 1	*
Hyd.-Elec. Pr. Ont.	3½-5%	1952	Apr. 1 '37	100
Dom. Tar, A, B	6%	1949	Nov. 16	103
Simpson's, A ..	6%	1949	Nov. 20	104
Do., B	5½%	1949	Nov. 20	104
Riordon Pulp ...	‡6%	1942	Dec. 31	105
H. Walker ...	†4¼%	1945	Dec. 1	104
Atlan. Sugar	5%	1942	Oct. 31	100
Rolland Paper ..	5½%	1948	Nov. 2	103
Porto Rico Pr. ..	5%	1936	Nov. 1	100

For sinking fund: ‡$81.000.
*Callable on 4½% income basis.
†Partial redemption.

Stock Issues:	Rate	Stock	Date	Price
Stanfields	6%	Pref.	Dec. 15	42
Atlan. Sugar .	7%	Pref.	Oct. 31	105
G. Tamblyn ...	7%	Pref.	Nov. 1	110

G. TAMBLYN, LIMITED

We suggest the Common Shares for investment at the current market price on the Toronto Stock Exchange. This security returns a yield of approximately 5% at the present dividend rate.

Cochran, Murray & Hay
Members Toronto Stock Exchange
Dominion Bank Building
TORONTO

Lake St. John Power Meeting to Consider Plan

Capital Reorganization to Clear Up Debt Liabilities

From Our Own Correspondent

MONTREAL. — Official particulars have now been issued on the plan of reorganization for Lake St. John Power and Paper Co. The plan, which is along the lines anticipated, provides for the capitalization of interest arrears, payment of some cash, and a re-distribution of the common shares of the company.

Holders of the old first mortgage bonds will receive $120 of new first mortgage bonds for each $100 of principal amount now held. In addition there will be paid $2.50 in cash per $100 and one fifth of a share of common stock in the company.

Holders of existing mortgage debentures will receive $125 of par value new mortgage debentures for $100 of debentures now held, $2 in cash and one-half share of common stock in the reorganized company.

Acceptance of this scheme will cancel arrears of interest on both securities except for the first 6 months of 1936, which are to be satisfied by the cash payment. It will also wipe out sinking fund payments and arrears.

The new debentures will be on an income basis until Dec. 31, 1941, after which the 5% rate becomes mandatory. During the income period, the plan provides that no payment of interest shall reduce the working capital below $1.1 million, with the qualification that interest shall be cumulative if earned and not paid.

Preferred is Reduced

There will be 18,000 shares of $100 par value, 6% non-cumulative new preferred. Dividends will not be paid if payment reduces the working capital below $1.5 million. The proposed new issue of preferred reduces the preferred stock from 36,000 shares of $100 par value 7% cumulative. Holders of existing preferred shares will receive one new for 2 old and in addition will be given slightly more than 51% of the proposed issue of 100,000 common shares.

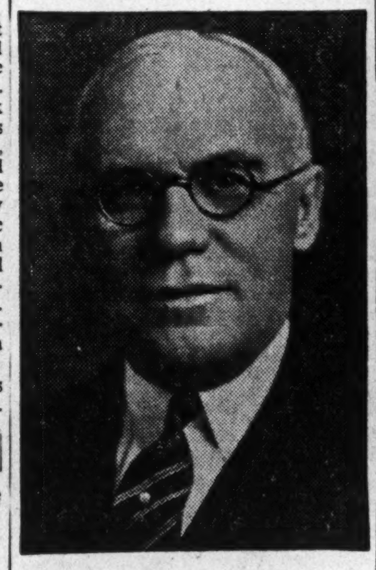
Holders of present common shares will receive one share for each 4 old shares.

The common share distribution on completion of the reorganization will leave 9,421 shares for first mortgage bondholders; 14,110 shares with debenture holders; 51,469 shares with preferred shareholders and 25,000 shares with the present common holders.

A voting trust is to be established whereby 3 voting trustees representing the bondholders and 2 voting trustees representing the debenture holders will be entitled to elect 5 and 7 directors. The voting trust shall be effective to Jan. 1, 1943, but under certain conditions may be terminated sooner.

The balance sheet as at June 30 last, after giving effect to the reorganization, shows the company with an issue of 5½% first mortgage bonds in the amount of $5,652,600 and $3,527,500 of mortgage debentures, or a total funded debt of $9,180,100. This is in contrast with $5,755,721 of 6½% mortgage debentures and arrears of interest. Under the new set-up interest charges on the funded debt are practically the same as on the old basis, despite the increase in the par value of the bonds issued.

A meeting of shareholders to consider the plan has been called for Nov. 25 and meetings of bond and debenture holders on the following date.



G. A. MORROW

who, after a period of 22 years, has resigned the presidency of The Imperial Life Assurance Co. He continues as a member of the Company's board of directors and assumes the chairmanship of its executive committee.

Dividends Declared

	This payment	Date payable	Date of record
Anglo-Can. Tel. pf.	87½c	Nov. 2	Oct. 15
B. C. Tele. 2nd pf.	$1.50	Nov. 2	Oct. 17
Beatty Bros., 1st pf.	$1.50	Nov. 1	Oct. 15
Buff. Ankerite	5c	Nov. 15	Nov. 1
Bk. of Commerce ..	$2	Dec. 1	Oct. 31
Bk. of Montreal ..	$2	Dec. 1	Oct. 31
Bk of Toronto ...	$2.50	Dec. 1	Nov. 14
Can. Inv. Fund, sp. & ord.	3½c	Nov. 1	Oct. 15
Do., extra	.00½	Nov. 1	Oct. 15
Can. Indus., A & B	$1.25	Oct. 31	Sept. 30
Can. Iron Fd., pf.	$1.50	Nov. 15	Oct. 31
Can. Bronze	25c	Nov. 2	Oct. 20
Do., pref.	$1.25	Nov. 2	Oct. 20
Can. Wire & Cable pfd.	*2.75	Dec. 23	Dec. 1
Canadian Oil, c. ..	12½c	Nov. 16	Nov. 1
Calgary Power, pf.	$1.50	Nov. 2	Oct. 15
Coast Brew.	27c	Nov. 1	Oct. 15
Crown Cork	20c	Nov. 16	Oct. 31
Crow's Nest Coal....	$2	Nov. 2	Oct. 15
Cosmos Imp.	20c	Nov. 14	Oct. 30
Do., pref.	$1.25	Jan. 15	Dec. 31
Can. Converters ..	50c	Nov. 16	Oct. 31
Dom. Bridge	30c	Nov. 14	Oct. 31
East. Twp. Tel. ...	36c	Oct. 15	Sept. 30
Gurd, Chas., pfd.	$1.75	Nov. 15	Nov. 1
Guelph Carpet	$1	Nov. 1	Oct. 20
Do., pref.	$1.62½	Nov. 1	Oct. 20
East. Steel, c.	$1	Nov. 2	Oct. 16
Hollinger Gold ...	5c	Nov. 3	Oct. 19
Do., extra	5c	Nov. 3	Oct. 19
Humberstone Shoe	50c	Nov. 1	Oct. 15
Inter. Utilities, pf.	$1.75	Nov. 1	Oct. 20
Do., $3.50 pf. ..	87½c	Nov. 1	Oct. 20
Imperial Bank ...	$2.50	Nov. 2	Sept. 30
Int. Nickel, pfd. ..	$1.75	Nov. 2	Oct. 3
Lake of Woods, pf.	$1.75	Dec. 1	Nov. 14
Do., arrears	$14	Dec. 1	Nov. 14
Loblaw Groc., A & B	25c	Dec. 1	Nov. 12
Macassa Gold	5c	Nov. 2	Oct. 15
Mtl. L., H. & P. .	37c	Oct. 31	Sept. 30
McIntyre Porc. ...	50c	Dec. 1	Nov. 2
Mtge. Corp. of N.S.	$1.75	Nov. 1	Oct. 24
National Biscuit ..	40c	Oct. 15	Sept. 11
Do., extra	40c	Dec. 15	Nov. 13
Do., pref.	$1.75	Nov. 30	Nov. 13
Ont. Steel, pf.	$1.75	Nov. 16	Oct. 31
Do., arrears	$2	Dec. 16	Oct. 31
Penmans, pref. ...	$1.50	Nov. 2	Oct. 21
Paterson, Wm., pf.	$1.75	Nov. 1	Oct. 20
Quebec Power	25c	Nov. 16	Oct. 27
Rolland Paper, pf.	$1.50	Dec. 1	Nov. 14
Root Petrol.	25c	Nov. 1	Oct. 19
Royal Bank	$2	Dec. 1	Oct. 31
Royal Trust	80c	Oct. 31	Oct. 1
Russell Motor	$1.75	Nov. 2	Oct. 21
Do., arrears	$1	Nov. 2	Oct. 21
Shawinigan W.	15c	Nov. 16	Oct. 29
Sherbrooke Trust .	$1.50	Nov. 1	Oct. 16
Simpsons, pfd.	$1	Nov. 2	Oct. 22
Simpson, Robt., pf.	$3	Nov. 2	Oct. 15
South. Can. Pwr., c.	20c	Nov. 16	Oct. 31
St. Law. Flour ...	50c	Nov. 2	Oct. 20
Do., pref.	$1.75	Nov. 2	Oct. 20
Steel of Can.	43¾c	Nov. 2	Oct. 7
Do., pref.	43¾c	Nov. 2	Oct. 7
Saguenay Pr., pf..	$1.37½	Nov. 1	Oct. 15
United Corp., A	$1	Nov. 16	Oct. 31
Tamblyn, c.	†20c	Jan. 1, '37	.....
Toburn Gold	2c	Nov. 21	Oct. 21
Westm'ster Pap., c.	20c	Nov. 1	....
Weston, Geo., pref.	$1.25	Nov. 2	Oct. 20

†Initial. *On arrears.

On Southern Canada Board

MONTREAL.—Joseph O. Montplaisir, of Drummondville, P.Q., has been elected a director of Southern Canada Power Co. Mr. Montplaisir is associated with a number of industrial enterprises in the Eastern Townships and has served as mayor of Drummondville.

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Port Royal Pulp Sells Serial Bonds

Eastern Securities Places $350,000 on Market at Premium

From Our Own Correspondent

MONTREAL.—Eastern Securities Co., Saint John, N.B., is making a public offering of $350,000 of 5% first (closed) mortgage serial bonds of Port Royal Pulp and Paper Co. at 101 and accrued interest.

With the proceeds of this financing, the company will use a portion to retire the present outstanding issue of $200,000 of 6% bonds maturing Jan., 1938, while the balance will be used for additions and improvements to the mill, increasing the capacity to 35,000 tons of bleached sulphite annually.

On completion of the present financing, fixed assets, less depreciation, at cost plus additions, would amount to approximately $506,179; net current assets at the end of last July totalled $212,521, making an aggregate of $719,700.

The company reports for the year ended May 31, 1936, earnings of $126,071 available for bond interest, depreciation and income tax.

Belding-Corticelli Limited

Notice of Preferred Stock Dividend No. 88

A dividend of one and three-quarters per cent (1¾%) has been declared on the Preferred Stock of this Company, for the quarter ending 30th November, 1936.

Notice of Common Stock Dividend No. 42

A dividend of one per cent (1%) has been declared on the Common Stock of this Company, for the quarter ending 30th November, 1936.

The above dividends are payable on the 2nd day of January, 1937, to Shareholders of record at the close of business the 15th day of December, 1936.

By Order of the Board,
D. F. POLLOCK,
Secretary.

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merit attention

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TORONTO, OCTOBER 31, 1936

The Financial Post's Platform for Canada

1. *Balanced budgets, achieved through economies and not by new taxation.*
2. *A "pay-as-you-go" policy in public spending.*
3. *Abolish politics in the C. N. R.*
4. *The merit system in the public service.*
5. *Integrity in meeting public obligations.*
6. *Freer foreign trade through Empire preferences and foreign treaties.*
7. *Stable tariffs for balanced development.*
8. *Stricter laws to protect investors.*
9. *An even break for Canadian national newspapers and periodicals.*
10. *A modernized constitution.*

10. A Modernized Constitution

CANADA'S written constitution is the British North America Act. Every law that is passed in Canada is passed in virtue of that Imperial statue and must conform to it.

A constitution written for the 1867 Canada and little amended since might have met the needs of the 1936 Canada if it had been written in broad enough terms. But the B.N.A. Act was not so written. It got down to details; it attempted to divide up responsibility and authority between the Dominion and the provinces. It divided it up according to the wisdom and vision of men who had never heard of wireless, of motor cars, of advanced social legislation, of state regulation of business, who did not envision an all-pervading government or group of governments. They did not know that their far-flung Dominion would contract in terms of speed of travel and communication. They did not know and could not foresee how its several parts would be tied together with complex, interwoven strands of commercial and national development.

The Canada that the B.N.A. Act was written for is not the same Canada that the B.N.A. Act applies to today.

Troubles have arisen and have never been finally faced. These difficulties are varied in scope. One is outstanding above all others. It is the fact that the indefinite nature of the assignment of certain governmental functions has led to competition to govern, which means competition to tax and to spend. Each government seeks to go the limit in asserting its powers: but there is not enough tax money or borrowing power to go around.

We have ten governments chartering companies; 10 governments dealing with insurance; 10 assisting and controlling agriculture and the development of other natural resources; 10 worrying about problems of road, rail and air transportation.

Each of our 10 governments claims many of the attributes of a sovereign power.

The effect is vexatious confusion and the effect is also waste. Privy Council decisions, needed to delimit jurisdiction, are costly but that cost is as nothing compared with the cost of leaving the credit structure of Canadian provinces menaced by a combination of excessive powers and inadequate revenues. And this menace remains and will remain even if the Privy Council brought down a new decision every week for 10 years.

Experience has demonstrated that small local governments provide the most efficient and economic administration of certain phases of community life. Experience has also demonstrated that in many of the governmental features of modern life nation-wide, centralized control is necessary. The alternative is duplication of effort and duplication of taxes.

This much we have seen clearly to date. Now a new trend has set in, a much more sinister one; the use of provincial powers to set up what are virtually exclusive trading areas. By putting barriers at international boundary lines the world has succeeded in reducing world trade by two-thirds, bringing nations to their knees and our social system close to the breaking point. We are moving in Canada toward the same thing as between provinces. It would quickly destroy our nationhood and our standards of lviing.

Canada's constitution must be modernized to centralize those governmental functions which can best be done by a central authority. It must be revised to provide the provinces and municipalities with adequate revenue sources to perform their essential functions. It must be revised to make it certain that the free flow of trade, capital and ideas from province to province shall not be hampered.

In the revision, the most difficult problem will be to deal with jealously guarded local powers: to stop short of that degree of centralization that might lead to Facist dictatorship; to protect the rights and interests of minorities.

Constitutional reform is long overdue. We have made a fetish of political compromises that were needed in 1867, but that today interfere with the welfare and desires of the people as a whole.

Will The Globe Be Consistent?

STRONGLY criticizing various repudiations of obligations by the Aberhart government in Alberta, the Toronto Globe entitles a leading editorial "Small Investor is Hit." In its concluding challenge to the Alberta government, the Globe states:

> "Premier Aberhart has reduced public revenue as well as destroyed credit and frightened off capital. The combination of these factors may yet force the people to reverse his legislation and return to a policy of honest recognition of their obligations."

The Financial Post is glad to see the Globe take a stand for honest recognition of obligations. Will the Globe now urge upon its good friend, Premier Hepburn, of Ontario, the same policy?

The Ontario government has repudiated the contracts of its Hydro-Electric Power Commission, and small investors were hard-hit by this repudiation as well as by Alberta's dishonesty.

In its criticism of Alberta, the Globe makes much of the contrast in government policies between Saskatchewan and Alberta. It correctly points out that Saskatchewan has made every effort to honor its obligation despite its serious economic difficulties. In contrast, however, the Globe fails to make a comparison between the Aberhart repudiation and that of the Ontario government in connection with its Hydro contracts. It is to be hoped that this was merely an oversight.

Taxes and Charities

RECENTLY Jesse I. Straus, a wealthy New York merchant died. In his will, made a few years ago, he had left bequests amounting to about one million dollars to educational and charitable institutions including three hospitals. But recently, as the result of the high estate taxes imposed by the federal and state governments he added a codicil to his will revoking these bequests.

Dr. Frank E. Adair, of Memorial Hospital, New York, says that this practice of revoking bequests that were formerly included in wills has come to be a common occurrence.

It is so difficult for heirs to finance the payment of succession duties that testators have had to be less generous in leaving money to charities.

Recently in Philadelphia there was a discussion of the plight of those hospitals that are dependent upon private philanthropy. It was pointed out by eminent surgeons that the depression had been flooding the hospitals with the indigent sick, heaping on them a tremendous overload. At the same time hospital income had diminished sharply, in part because of a drying up of funds from private sources.

Thus, the "soak-the-rich" policy of taxation has crippled hospital facilities of which the poor have been the prime beneficiaries.

Recently the Saint John Telegraph-Journal deplored the stifling of private charities through the expansion of state benevolence.

> "It does seem that governments have about reached the limit of their capacity to deal with relief through the rates and taxes. If that is so, it puts the issue up to private charity in one or all of its forms. In point of fact, many believe that the expansion of state benevolence has stifled private charity. A taxpayer who sees a large slice of his contribution to the government going for social schemes does not feel disposed to give privately as well."

Community chest funds have lately been in process of collection in Canada. Wealthy men have been particularly generous and in Toronto individual contributions as high as $10,000 and $15,000 were received. Yet on the whole it has proved difficult in most cities to raise the money. And the reason is obvious. When governments undertake to look after everyone in need, when they impose tremendous super-taxes and estate taxes on individuals to raise the money, both the incentive and the means to support private charities disappear.

An Alternative Government

THE Alberta Conservative Association announces that it will invite a fusion of all parties opposed to the Aberhart Government. The Conservatives apparently think that Mr. Aberhart and his associates are destroying the credit of the province and bringing constructive activity to a stop. They feel it is the duty of those opposed to him to drop their own differences of opinion and merge to provide for the province an alternative government to take office if and when the people decide that they have had enough of Mr. Aberhart.

The invitation of the Conservatives may be coolly received by other groups. The only reason that the Aberhart group was elected in 1935 is that the United Farmers of Alberta, the Conservatives and the Liberals were unable to present a united front. Mr. Aberhart polled only 55 per cent of the total votes. It seems hard to believe that a united front by the other parties would not have polled over 50 per cent and permitted a sounder government to come into office.

Fourteen months ago The Financial Post said:

> "It is the responsibility of those who engage in Alberta politics, outside of Mr. Aberhart's following, to prepare themselves to offer an alternative government. The first step in preparation would appear to be to drop the organization and names of the past and try to build some cohesive new body."

The Calgary Herald very properly remarks that the issues in Alberta today have no relation to the old party divisions. The division now is between the erratic radicalism of Aberhart and the views of all those others who believe that what was good in the old order of things should be preserved.

Under such circumstances the opposition to Aberhart should be consolidated. Opposition to the social credit brand of radicalism is a much more important issue than adherence to a Conservative or Liberal name.

The essence of successful operation of the two-party system is that there should always be an alternative government available for the people to support. No opposition group in Alberta could by any stretch of the imagination be regarded as a possible alternative government. Each group individually is too weak to win.

Editorials in Brief

This week's prize tongue-in-the-cheek comment:

"No one need move his worldly goods from the Province of Alberta. No one will lose his money by any act of ours."—Premier Aberhart.

* * *

"Colonel-General" Goering, "Minister-President" of Prussia, has been named a "Special Commissar" with the virtual rank of "Vice-Chancellor." It'll be nice for people to know just where he stands.

* * *

"Now the Financial Post and the Sifton newspapers can explain to the farmer the benefit of high grain prices to those who have no grain to sell."—Regina Star.

We'll leave that task to the Regina Star. The Financial Post always took the stand that it did not help the burnt-out farmer to set a high artificial value for wheat when he had none to sell. The Star, it would seem, is finally realizing that fact.

* * *

A year ago when Hon. J. L. Ilsley became Minister of National Revenue he told a member of The Financial Post staff that it was his ambition to achieve two things in tariff administration. One was to simplify the tariff so that he who runs might read; so that businessmen could pick up official documents and see quickly the impost against any item. The other was to make sure that the tariff schedules meant what they said.

After a year in office Mr. Ilsley would probably be the first to admit how difficult this ideal is of attainment; how complex and complicated is our tariff structure. But Mr. Ilsley and his competent staff have taken one important step toward their goal by the publication of a new office consolidation of the tariff, which is the most usable and comprehensive document of its kind to come out of Ottawa in many a day.

Office consolidations of the tariff are not new but this particular volume is so well put together that it deserves a place on every businessman's shelf. It fills a long-felt need in Canadian business and should go a long way toward helping Mr. Ilsley reach his ideal.

* * *

The Bank of Canada statement last week was graced with an extensive but not very illuminating explanation which stated:

> "Form of the bank's weekly statement is laid down in the Bank of Canada Act, but in the interests of clarity in detail the government passed an order-in-council authorizing slight changes which became effective yesterday.
>
> "Reserves in sterling and United States funds were formerly shown under separate headings but are now grouped. The new form also groups investments in Dominion and provincial short term securities formerly shown separately."

The flaw in this subtle comment is that instead of clarifying the statement, the lumping of details is rather in the interests of obscurity.

The new form makes it possible for the bank to lend to a provincial government by purchasing short-term securities without revealing it to the nation at large. And it allows concealment of foreign exchange risks.

The Bank Act has been revised so as to make the privately-owned banks show just what they are doing in investment dealings. Why should the Bank of Canada not make the same disclosures to the people who control it?

Post-Scripts

GREATER public men than William Aberhart have been less irritated than he by criticism. One may cite Thomas Jefferson, concerning whom To-day recalls the following incident:

> "Looking over an opposition newspaper he had found on the table in President Jefferson's study at the White House Alexander von Humboldt, the great German scientist, was much shocked at the vehement falsehood of its attacks on Jefferson. He could not understand why so scurrilous a sheet was not prohibited altogether. Why was not the editor jailed, or fined at the very least? But Jefferson merely smiled. 'Put that paper in your pocket, Baron,' he said, 'and should you hear the reality of our liberty, the freedom of our press questioned, show them this paper—*and tell them where you found it.*'"

Mr. Aberhart wants to muzzle even those newspapers which criticize him fairly, mildly, and according to their honest view of the public interest.

Sayings of the Week

"I don't pay good wages because I have lots of money, but I have lots of money because I pay good wages."—*Robert Beach.*

* * *

"There is, unfortunately a natural limit to idealism, and it comes when the tax collector pulls the doorbell."—*H. L. Mencken.*

* * *

"The most valuable things in life are new, sound ideas, but these never come to us when we are hustling about or are tired."—*Roger W. Babson.*

* * *

"We must find means to organize our activities so that each person can use his abilities in the kind of work for which he is best suited."—*R. G. Tugwell.*

* * *

"If a man has trouble in his joints at any age, he knows it. When his head doesn't work well, everyone else knows it, but he probably won't." *Dr. William J. Mayo.*

* * *

"Science could stop today and not do another thing for a hundred years, and government could not catch up with it."—*Mayor Fiorello La Guardia, of New York.*

* * *

"Some people are born great; some have greatness thrust upon them, and some wouldn't recognize the Goddess of Fame if they met her."—*Hugh S. Johnson.*

* * *

"Success in life is relative. In my judgment success means making the most of such ability, personality and physique as you have."—*Walter S. Gifford.*

* * *

"In our American society there should be no antagonism between the worker and the stockholder. Our capitalist system rests on the corporation, large and small." — *Colonel Frank Knox.*

—Drawn for The Financial Post by R. Kaell.

A HEALTHY CONVALESCENT

Lawless Wage Cutting

By K. R. W.

Lawless wage-cutting is going on in Canada.

Yet very little is being done about it. There are no indignation meetings of citizens; very little action on the part of those who are really affected. Why?

Because the wages that are being cut are the wages of money.

A policy of slashing money-wages has been officially sponsored by governmental bodies for several years in the belief that in so doing, business recovery would be stimulated. So long as the policy was carried on in an orderly, constitutional manner; so long as the demands were reasonable and constructive, the policy met little or no opposition.

Individuals Must Rise

But today a new element has entered the picture. That new element is the ruthless, illegal and destructive policy of governmental bodies such as Alberta which ride rough shod over financial contracts and tear up money-wage agreements with the abandon of irresponsible freshmen.

What can be done about it?

First, there is recourse through the courts and through action by Ottawa when this legislation oversteps the bounds of provincial jurisdiction. This procedure is already being urged with increasing insistence from most parts of Canada.

A second effective way is for those who must sooner or later suffer from these acts, to make it a personal responsibility to see that this policy is stopped.

Who suffers when money-wages are slashed in this way?

One group vitally affected are the life insurance policyholders. They suffer directly through higher costs for new insurance they may take out. They suffer through a weakening of the reserve funds they have deposited through a period of years to make sure their contracts will be redeemable at face value. They suffer in lower dividends and earnings.

In short, each one of the 5 million insurance policyholders in Canada is as vitally interested in the debt-slashing activities of the Alberta and other governments as he would be if his employer told him he was going to arbitrarily deduct a certain percentage of his wages or salary each month for the next 5, 10 or 20 years.

If the life insurance policyholders realized this it would soon be impossible for governments to take action such as Alberta has done. The difficulty is to rouse individuals to the situation that menaces them.

Protection For Small Sums

The call to arms against the money-wage slashers is as real and as personal as any nation-wide appeal of the old war days. It is an appeal for individual aid and action on the part of all of those who have contributed their nickels, their quarters and their dollars to form this vast co-operative fund.

The fact that there are now over 2 billion dollars in this fund is not the important thing at the moment. What is important is that those who own this fund should realize it is their money and their savings—their small stakes of $50, or $500 or $5,000—that are being looted.

When 5,000,000 policyholders realize this, the money-wage grabs will stop.

Business Fights Back

By BENNETT CHAPPLE

Vice-president, American Rolling Mills Co. Briefed from an address before National Industrial Advertisers meeting in Philadelphia.

Far and near we see the mobilization of forces for better business understanding. No longer is the voice of business to remain silent in the face of insidious attacks. No longer is it going to submit to the false statements coming like a barrage from the many radical camps that have grown so rapidly in the free air.

Business cannot compromise with systematic efforts being made to undermine the spirit of enterprise which has given our people freedom, prosperity and security. The ramifications of business are so far-reaching that the outcome directly affects every man, woman and child. It is not industry's concern alone. It reaches deep into the pocket-book and the lives of every man and woman engaged in industry, commerce, farming, professional life, or in the home. To remain silent, to refuse to take up the challenge, would be to betray the trust of the wage earners, the investors, and the consumer public at large.

Meet Falsehoods

Those who have counseled patience and tolerance in the past now recognize that the attack against the very foundations of our institutions must be met with courage. Questioning the right to earn a fair profit and to pay fair wages is not a localized issue, but one that has settled upon the whole world like a bubonic plague. The fight is against a disease which is spread by misinformation for which the only antidote is understanding, based on facts. Will we continue to let radicals get away with the statement that 2% of the people get 80% of the income, when the facts are that compensation for human service alone accounts for more than 64% of the national income? Business now openly challenges such falsehood with truth and unhesitatingly reveals the sinister motives back of the attack. Business must fight to continue the wholesome development of our industries.

No Political Struggle

From many different quarters today we see mobilizing forces, not alone of the aroused business world, but of all allied enterprises. There are millions of investors who are vitally concerned. Nor does this include the even greater number who indirectly share the ownership of business through life insurance and savings deposits. In their own self-interest and self-protection these people must stand shoulder to shoulder with every wage earner. The professional man, the merchant, and the farmer are coming to a realization that they, too, have a stake in the welfare of industry—that unjust attacks upon industry are an attack upon them as well. They know that when the sources of income are maliciously attacked jobs disappear, wages dry up, and buying power ends.

The battle against those who would wreck business is on. This is in no sense a political struggle. It transcends all politics and goes straight to the heart of our very existence. Rallying forces are gathering together on every side, as different organizations, one after another, take their places in a far-flung battle line.

Intimate Relationship

Great forces for economic education are beginning to make themselves felt. The growing development of the employee representation movement in large industries opens a splendid opportunity for the presentation of economic facts among the rank and file of industry. These groups are sitting with management in meeting the simple as well as the broader problems of business. Hundreds of thousands of members of these employee representation groups have shown a desire to learn the point of view of industry as against the point of view of the soap box orator. They refuse to accept at their face value statements unsupported by reliable factual evidence. They refuse to believe that the employer can benefit at the expenses of his employees and are firmly convinced that one cannot be successful without the other.

As a matter of fact, here would seem to be the very core of the problem. The more intimate relationship of plant groups— foremen's clubs, and similar organizations—furnish the opportunity for the men on the job to discuss the question at issue in their own way with their own fellow-workers, and arrive at clear, definite understandings as to their own best interests.

This review of the forces mobilizing for better business understanding in the best interests of every one, would seem to be most important information for advertising men. The entire programme for enlightenment is a gigantic educational job; therefore, it is also an advertising job.

Give the people facts and we won't have to worry about agitators.

There can be no compromise on public enlightenment in regard to the problems of business. The record shows that industry stands for constant and consistant higher standards of living. In this way alone can we hope to progress. The fight must go on and on.

As Others See Us . . . . .

Sanest Yet
Charlottetown Guardian

The sanest editorial comment we have yet seen on the subject of Premier King's Geneva speech is contributed by The Financial Post.

Fascism Looms in Alberta
Drumheller Plaindealer

The Financial Post points to the danger of a Fascist state developing out of Alberta's political leadership.

Eighteen months ago we pointed to the danger of Fascism in Alberta. Our arguments went unheeded. We have had no reason to change our minds on this issue. So long as the Social Credit party has a man of William Aberhart's calibre at its head there is imminent danger of dictatorship. If back benchers are interested in the preservation of democracy they must curb the dictatorial tendencies of their leader once in a while—but back benchers are acutely aware that mass sentiment cares not a whit for their viewpoint, their interest being wrapped up in a radio personality.

A Smoke Screen for Taxes
Cornwall Standard-Freeholder

The Financial Post, Toronto, gives some eye-opening information on a form of taxation which rolls up a handsome revenue for the Dominion Government each year.

If it were not for taxation, a 20-cent package of cigarettes could be purchased for 10 cents, and dealer and manufacturer could take a fractionally higher profit.

These figures must be enlightening to cigarette smokers, who probably have never given a thought to the actual cost of their smokes. As The Post points out, the average man would offer vigorous protest if he were asked to pay 10 cents for a package of cigarettes, and an extra dime for a stamp to paste on the packet. He would be constantly aware of the amount he was contributing in taxation, and would no doubt feel that the government was discriminating against him and his fellow smokers to an unjust extent. As it is, he pays 20 cents for his cigarettes and is content to shell out the 10.68 cents for "invisible" taxation.

Just the same, 100% taxation, even on luxuries, seems a little steep.

Playing Ball With Newfoundland
St. John's Daily News

While not overlooking the fact that the Dominion Government has for some years imposed a tax of 5% on interest and dividends sent out of Canada to non-resident owners of Canadian bonds and stocks, The Financial Post of Toronto has nevertheless termed a similar American tax of 10% "an unfair levy on Canadians."

The Post is chiefly concerned with having the government take advantage of the provision in the American tax bill providing for reduction of the impost by 5% by treaty. In this country we are principally concerned with having the Canadian Government rescind a grossly unfair levy on Newfoundlanders who have invested in Canadian government, provincial, municipal and industrial securities.

The Post says: "With $8 billions of U. S. money invested in Canada and drawing returns the U. S. has more to gain than to lose from playing ball with Canada in this matter."

Newfoundland cannot talk to Canada in terms of billions. We can, however, point to the Dominion's huge favorable trade balance in its dealings with us, to its profits on banking services and insurance business in this country. These may not amount to billions but they do make up a tidy little sum which the Canadians would not like to lose. In fact, to paraphrase the Post's own argument, "Canada has more to gain than to lose from playing ball with Newfoundland in this matter."

Ottawa Lies Down
Halifax Herald

Placed in juxtaposition, 2 items appearing on the front page of a recent issue of The Financial Post make amazing reading.

One of the items opens with the statement that "legal opinions as to the validity of Alberta's new debt legislation are unanimously of the view that the statute passed last month is ultra vires, and therefore non-enforceable. As far as can be learned there has been no single opinion to the contrary among almost a score of such advices that have been sought and received from lawyers both East and West."

The other item, dated Ottawa, has this to say:

"Unless some new factors enter the situation which are now not foreseen, the Federal government has no intention of taking action to disallow the Reduction and Settlement of Debt Act of Alberta, even though there is ample legal opinion to support the view that this act is ultra vires the Provincial Government."

It is plain enough that much that is being done in Alberta is in collision with the Federal Constitution—but if signs mean anything at all, political expediency is dictating the policy of "hands off" so far as Ottawa is concerned.

The Tory Leadership
Windsor Star

The Ottawa correspondent of The Financial Post revives, in The Post's current issue, the rumor that the Rt. Hon. R. B. Bennett is likely to withdraw as leader of the Conservative Party "within the near future."

"We shall be surprised and disappointed, however, if Mr. Bennett makes any early move to quit the political arena. We see no reason why he should step out. Seriously ill not so long ago, he now appears to be in the pink of condition. He should be in a position to serve the country for a number of years yet. His mental equipment—and what a mental equipment it is!—was never at a higher state of efficiency.

Eventually, of course, Mr. Bennett will retire, though he may easily be prime minister again before doing so. When he does retire the choosing of a successor will be no small task. It will not be easy to pick a man to follow Mr. Bennett. But when that day comes there are experienced observers who believe the choice may easily fall upon one not mentioned in the Ottawa dispatches referred to earlier in this article. They suggest that the logical man to succeed Mr. Bennett is Colonel Gordon S. Harrington, former premier of Nova Scotia and now leader of the Opposition in that province.

In the Mail

(Not over 200 words, please)

Some Key Statistics

Editor, The Financial Post:

Would you care to give me your idea of the following:

Total income for Canada—latest figure.

Total gainfully employed—latest figure.

Total government expenditures, federal, provincial and municipal.

Total social service costs.

ENGINEER.

Windsor, Ont.

National Income. The Financial Post Business Year Book estimates for 1935 was $4,083 millions.

Total number gainfully employed. There is no such figure except for the census year 1931. At that date, it was 3,924,533. The employment compilation made monthly by the Dominion Bureau of Statistics shows the number of wage-earners employed in all industries exclusive of government service and agriculture. The number of such wage-earners employed in industry, as computed from Dominion Government returns by the Bank of Nova Scotia, now stands at 1,829,000, as at August 1, 1936.

Total government expenditures, as estimated by the Citizen's Research Bureau for 1934, were $1,041,546,000. The 1935 figure is not available but will probably show a small decrease.

Total social service costs, as estimated recently by Miss Charlotte Whitton, are $200 millions annually. This is made up of $115-120 millions for relief expenditures and an additional $80 millions for other social services. This will serve as a rough estimate for both 1934 and 1935.

THE EDITORS.

Other People's Views . . . . .

Why Wheat Rises
Winnipeg Free Press

The chief factor in the steady increase in the price of wheat in world markets is the disappearance of the Canadian carryover, thanks to the wheat policy of the Government. It stood to reason that the price of wheat could never get out of the cellar while the carryover persisted, but there were a lot of people who could not see this.

Costs Money to Work
Wall Street Journal

Yes, sir, it's gotten to the point that a man on home relief can't afford to accept a job.

The American Mercury tells of one case in point.

"I can't take a job paying $2 per week more than relief because I can't afford it," the applicant quoted by the magazine says.

"Now that I'm on relief I go to the movies 7 times a week, every afternoon, at a cost of 15 cents per day.

"If I took a job I would have to go at night and pay 40 cents a night. That would make the movies cost me $1.75 more than they cost me now.

"And if I take a job I'll have to pay 60 cents a week subway fare, making a total extra cost of $2.35 more than I pay now.

"So you can easily see why I can't take your job. I'd be 35 cents worse off, even if your job pays $2 more a week than I'm getting from relief."

Keeping Cool
Regina Leader-Post

It is noted that the battle over the outcome of the immigration conference at Saskatoon is already being joined. People are pitching into each other as to how the conference was conducted and about the result.

The Leader-Post would like to suggest that no one get overly excited about the matter. It would like to wager that the number of immigrants who will arrive will never be noticed.

A few good families settled on farms where they may make a living, financed there by the British Government, will not likely do harm to any Canadian. If they make good they will be of value to Canada; if they fail to make good they will be taken back to Britain.

But The Leader-Post cannot visualize any rush into Saskatchewan. If we start doing a little better as a result of better crops, debt adjustment, and a reasonable market at home and abroad, some people will come on their own account. But no one is likely to get trampled on in the rush.

Stop Me If You've Heard This One . .

"There goes a fellow who chased around for years, trying to land a political job."

"Well, what does he do now?"

"Nothing—he got the job."

Week in Business

Car Sales Reveal Slump In Alberta's Business

Drop of 24% in September Compares With General Gain — Prairie Income at 8-Year High for August — Weather Influences Sales

Weather is a big factor in the business picture just now and merchants dealing in seasonal goods such as clothing had arms wide open to welcome the recent cold snap. Warm, balmy weather may be nice for last-minute golfers and for holiday-makers, but it brings long faces to merchants anxious to get an early start at selling the new season's merchandise.

* * *

Alberta Car Sales Slump

But confidence must go hand-in-hand with good weather and good purchasing power. Take, for example, the case of motor car sales in western Canada.

In September, passenger car sales in all provinces rose 19.6% compared with the same week last year. They were especially good in western Canada due to higher wheat prices and early marketing of crops. Manitoba sales rose 21.7% Saskatchewan sales jumped 32.5%. British Columbia sales soared 43.5%.

But what happened in Alberta? Sales slumped 23.6% compared with the same month last year.

Granted Alberta's crop situation was not as favorable relatively this year as Manitoba's, and that other factors enter the comparison in British Columbia, there seems nothing to account for the striking reversal of sales between Saskatchewan and Alberta, except the two words—Social Credit—which mean, in short, complete lack of confidence in present or future prospects on the part of both businessmen and consumers. The fact that truck sales dropped 31% in the month confirms the viewpoint of trade and industry.

* * *

Prairies' Income at 8-Year High

And speaking of western purchasing power it must not be overlooked that the exceptionally early marketing of prairie crops this year has boomed buying power in August and September to such an extent that subsequent sales may be seriously affected in comparison with other years of more normal marketing procedure.

Thus the September sales and collections report of Sanford Evans statistical service shows estimated agricultural income in the Prairie Provinces for August at $43 millions—the highest figure for that month in any of the past 8 years. It compares with estimated income in August of last year of but $15 millions. Not even in the peak years 1928-30 has August income been so substantial.

* * *

U. S. Prospects Centre on Auto

Fourth quarter prospects in the United States, according to the October review and forecast number of the Annalist, centre chiefly around the automobile industry.

"Industrial activity in general," it says, "was well maintained without much benefit from activity in the automobile industry in the second half of the third quarter. Consequently, if present expectations of automobile manufacturers are only partly realized, it is a foregone conclusion that, unless there is unexpected slump in one or more other industries, the business index will show an increase.

"So far as can be foreseen it seems almost certain that the sequence of events in the last quarter of 1935, when the change in the date of the beginning of new model production was largely responsible for a marked advance in general business activity, will be duplicated this year perhaps on an even broader scale."

Favorable

Automobile sales show 13% gain over September, 1935, figure. All provinces but Alberta show marked improvement. Factory output of passenger cars lower in September than in 1935 due to change-over plans but truck sales higher.

Imports of crude petroleum, cotton and raw rubber show gains over same month last year.

Unfavorable

Carloadings lower than same week last year for first time in many weeks. Losses in movement of grain and merchandise (L. C. L.) freight offset other gains.

Business Indicators as Compiled by The Financial Post

▲Denotes new figures this week.

	WEEKLY DATA — Latest 1936	1935	Cumulative Total — Jan. 1 to date 1936	1935
Transportation—				
Car loadings (Oct. 17)	▲55,182	56,285	1,964,701	1,889,968
C.N.R. gross earn. (Oct. 21)	$ ▲4,319,013	$ 3,949,698	$ 147,056,740	$ 137,150,437
C.P.R. gross earn. (Oct. 21)	$ ▲3,205,000	$ 3,161,000	$ 109,536,000	$ 100,909,000
Business Conditions—				
Weekly index D.B.S. (Oct. 17)	▲111.6	96.6	......	......
MONTHLY DATA	1936	1935	1936	1935
Business Conditions				
Financial Post index (Sept.)	113.7	105.0	......	......
Transportation—				
C.P.R. net revenue (Aug.)	$ 634,484	$ 508,339	$ 8,404,584	$ 8,096,540
C.N.R. net revenue (Aug.)	$ 680,581	$ 569,672	$ 3,242,824	$ 3,843,331
Iron and Steel (September)—				
Pig iron production (tons)	▲51,892	54,360	465,785	419,064
Steel ingots and castings prod. (tons)	▲86,077	90,952	813,734	647,704
Automobiles (Number)—				
Passenger Car:				
Domestic sales* (Sept.)	▲3,120	2,593	75,806	69,844
Factory output (Sept.)	▲2,481	3,819	100,088	109,204
Trucks and Buses:				
Domestic sales* (Sept.)	▲1,431	1,436	17,720	15,580
Factory output (Sept.)	▲2,174	1,504	25,650	28,205
Exports (Sept.)	▲3,305	3,798	40,143	51,875
Construction—				
Building permits (Sept.)	$ 3,644,560	$ 3,331,915	$ 29,433,327	$ 36,680,796
Contracts awarded (Sept.)	$ 16,558,500	$ 14,743,100	$ 127,671,600	$ 132,724,200
Newsprint (tons)—				
Production (Sept.)	269,782	223,892	2,303,725	1,978,614
Exports, tons (Sept.)	278,368	206,911	2,130,286	1,812,786
Sugar (lb.)—				
Melting & sales§ (raw)	101,765,672	73,677,075	682,558,745	629,971,194
Manufactured§	101,692,741	74,056,391	661,109,373	624,681,003
Flour (bbls.)—				
Production (July)	1,300,667	991,559	7,828,026	6,134,106
Wheat flour exports (Sept.)	378,318	395,640	3,502,123	3,410,379
Trade—				
Retail trade (index no. of sales) (August)	75.1	69.6	......	......
Imports (September)	$ 52,982,972	$ 44,689,463	$ 450,866,373	$ 403,036,316
Exports (September)	$ 89,582,398	$ 78,845,842	$ 692,626,389	$ 572,090,421
Wheat exports (bush.) (Sept.)	20,720,316	17,272,672	162,377,678	93,134,112
Employment, D.B.S. Index (Sept. 1)—				
All industries	107.1	102.7	......	......
Manufacturing	105.9	100.8	......	......
Electric Power Output (Sept.)—				
Total monthly m.k.h. (000's omitted)	▲2,041,679	1,919,213	18,522,713	16,942,004
Other Industrial Indices—				
Lumbering:				
Plank & board exports M. bd. ft. (September)	160,586	112,413	1,137,508	968,046
Boot & shoe prod., pr. (Aug.)	2,002,895	2,153,955	14,711,557	14,546,387
Crude petrol. imp. gal. (Sept.)	▲134,048,094	127,017,748	879,146,923	848,026,505
Cotton imports, lb. (Sept.)	▲9,262,674	5,856,786	91,798,165	82,848,832
Raw rubber imp., lb. (Sept.)	▲5,361,220	3,593,662	43,533,953	42,791,974
Coal imports, tons (Aug.)	1,558,179	1,523,828	8,003,914	8,097,986
Finance—				
Bank debits (Aug.)†	$ 2,619,152	$ 2,497,602	$ 22,759,663	$ 20,258,840
Bond sales (Sept.)	$ 176,935,250	$ 194,626,102	$ 1,009,845,746	$ 651,566,437
Life insurance sales (Sept.)	$ ▲26,966,000	$ 26,696,000	$ 272,310,000	$ 267,260,000
Automobile Financing (Sept.)—				
Used cars	$ ▲1,865,791	$ 1,377,752	$ 20,161,756	$ 14,672,215
New cars	$ ▲1,885,754	$ 1,428,316	$ 24,544,783	$ 18,785,250

*D.B.S. All-Canada figure comprising over 90% of the Canadian total.
†000's omitted. §For 4 weeks to October 3.

Public Utility Investments

First mortgage bonds of well-established light and power companies operating in eastern Canada offer attractive yields — in some cases 4.50% or higher.

We shall be pleased to submit suggestions upon request.

Royal Securities Corporation
Limited

244 St. James Street, Montreal — 330 Bay Street, Toronto 2

Offices throughout Canada; also in New York and London.

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Foreign Trade

Weekly foreign trade news summarized by Commerce Reports, Washington, to October 17.

China—Progress was achieved during September toward national unity, but international relationships remained uncertain; among the measures recommended at the economic conference was the increased participation of domestic capital in Chinese industry, with a spreading of industry to other centres than Shanghai.

British Malaya—A feeling of confidence has developed in some lines of business and continued gains are being made in internal trade.

Netherland India — The higher level of most export products and the steadiness of rubber quotations have contributed to general improvement.

Hawaii—Further activity in new construction in real estate transactions during September reflected previous gains in business and industry.

Netherlands—Voluntary devaluation of the currency was undertaken, according to the Prime Minister, in order to avoid the possibility that if the gold standard were maintained the florin would be subject to attacks which might force devaluation later.

Austria—Foreign trade, both import and export, improved in August and for 8 months the adverse balance has been somewhat smaller than last year; the industrial production index rose seasonally in July and remained well above the 1935 figure.

Roumania—Imports and exports were larger in the first half of this year than in 1935 and the export surplus was enlarged.

Greece—The trend of foreign trade in July continued that of the earlier month, with imports exceeding exports by a large margin.

Nicaragua—The foreign exchange situation remains paramount, conditions otherwise being seasonally dull.

Defense Contract Awarded in B. C.

Ready to Start $350,000 Air Force Base Job

From Our Own Correspondent

VANCOUVER.—British Columbia will soon witness the beginning of construction implementing the recent announcement of Hon. Ian Mackenzie, minister of national defense, that 4 air bases would shortly be built on this coast to give Canada better protection.

It is expected one of the bases will be located on Queen Charlotte Islands, another near Prince Rupert, a third near Alert Bay at the north end of Vancouver Island, and a fourth near Vancouver.

Northern Construction Company and J. W. Stewart, Ltd., have been awarded the contract for construction of a bulkhead and 2 slipways at the Jericho beach station of the Royal Canadian Air Force. Cost of the work will be $94,700.

Seaplane bases may be built near Esquimalt and possibly on the west coast of Vancouver Island as well as at the north.

The Jericho beach contract is the first of the expenditures approximating about $350,000 to modernize facilities near Vancouver.

It is expected 7 new hangars will be constructed at Jericho Beach, which is at the entrance to Vancouver harbor, and contracts for their construction will probably be let in a few days.

U. S. Advertising Linage Gains During Past Month

From Our Own Correspondent

MONTREAL.—Newspaper advertising linage in 52 of the principal American cities, as reported by Media Records Inc. and published by Editor and Publisher, amounted to 114.4 million agate lines in September, 1936, compared with 101.3 million lines for the same month last year.

Display advertising increased from 81.2 million lines in September, 1935, to 91.8 million lines this year.

Background of Business

Fall Furniture Business Showing Good Increase

Deliveries Reported Lagging With Increase in Demand — U. S. Imports Rise 120%

Canadian furniture factories are doing somewhat better this year but are looking longingly at the will'o wisp of what they feel might have happened if tariff barriers to the U. S. had not been lowered by the U. S. trade pact last year. Cumulative factory sales for manufacturers grouped in the Furniture Manufacturers Association are reported 5% ahead of 1935. This covers the first 8 months of the year.

Meanwhile import figures for the first 8 months are up 70% compared with last year. The cumulative figure to the end of August is $547,000 compared with $493,000 for the entire 12 months of 1935 and $475,000 in the entire year 1934. Lowest point for importations was 1933 when $414,000 was imported. In 1929 imports ran as high as $4 millions. Total imports from the U.S.A. for the first 8 months are up 120% to $414,000 compared with $189,000 for the same period in 1935 and $287,000 for the entire year 1935.

Factory sales of furniture in Canada in 1934 (exclusive of mattresses, bedding and allied or accessory lines) are estimated at $9.6 millions.

Furniture sales at retail, according to Bureau of Statistics records showed a considerable improvement this summer with May, June and July totals running from 11 to 15% ahead of corresponding figures last year. August (notorious furniture "sale" month) showed a 5.5% improvement over last year. This gain rose to 11% after adjustment for number of business days and seasonal adjustment. Current reports from important retail outlets indicate that autumn buying has been so greatly improved that factory deliveries have slowed down considerably. Some lines of merchandise cannot be obtained without considerable delay. In this respect the picture shows very marked improvement over previous spring and fall business.

Employment in furniture factories is reported in September at the highest point since March, 1932 and 11% above corresponding figures a year ago, according to D.B.S. figures.

* * *

Oyster Farm Plans

Development of an oyster farming industry in Nova Scotia is to be undertaken by the federal Department of Fisheries under an agreement recently made between the Dominion Government and the government of the province.

Details of the programme will depend upon the results of investigations which the department will carry on but in broad general outline the plan followed will probably be similar to that which has been successfully employed in Prince Edward Island where an oyster farming industry has been established through department action.

* * *

New Jap Threat

Threat of Japanese to exploit the salmon fishery on the Pacific Coast is worrying fishermen and fish interests in that area again. Experimental fishing was this year conducted by Japanese in the costal waters and it is feared that floating canneries may be operated outside the territorial waters of United States and Canada, sending out fishing boats and canning the catch on the high seas.

Hon. G. S. Pearson, fisheries commisioner, is urging international negotiations to protect the rights of Canadian fishermen.

* * *

Pact Aids Ports

One result of the U. S.-Canada trade pact has been the remarkable increase in Canadian imports through the ports of Halifax and Saint John. There was an increase of 15.5% in all imports through the port of Saint John for the first 6 months of the present calendar year and an increase of 13.3% through Halifax.

For all ports, there was an increase of 9.8% in imports from countries other than United States and an increase of 14.9% in imports from U. S.

* * *

World Wool Outlook

A world supply of wool for 1936-37 not greatly different from the past season is reported by the U. S. Bureau of Agricultural Economics.

Preliminary estimates of wool production in 1936 for 18 countries show an increase of 2% over 1935. Part of the increase in production, amounting to about 50 million lb., was offset by a reduction of approximately 38 million lb. in stocks in the 5 principal Southern Hemisphere countries. The new wool season in the United States and Europe also opened with stocks of raw wool considerably lower than at the same time a year earlier.

* * *

Fox Prices Lower

At the recent sale of fox pelts in London approximately 22,000 pelts were offered and about 50% were sold at prices slightly less than those realized on the former sales, according to reports from P. E. I.

Buying by private treaty has already commenced and it is expected all unsold pelts will be moved off at prices slightly lower than those realized earlier in the year. The ranchers report their foxes to be in excellent condition.

Stocks of Cheese Increase at Oct. 1

But Egg Supplies Show Decline — Butter Unchanged

Butter stocks in cold storage on October 1, 1936 were practically unchanged from a year ago but cheese showed a very considerable gain,

Because butter is largely produced in Western Ontario and the 3 Prairie Provinces, this year's summer drought will have considerable affect upon production and the benefit of improving fall pastures will hardly yet be shown in stocks reported.

The accumulation of cheese, no doubt, is a result of the reopening of the United States market for this product by the trade agreement of last January. Cheese has been moving to United States in fairly large volume ever since which trade, of course, means the storing of larger stocks in Canada than was the case previously when practically all the exported cheese went to Great Britain.

Total of butter in Canadian storage at Oct. 31, 1936 is estimated by the Dominion Bureau of Statistics at 55.7 millions of pounds as compared with 55.6 millions of pounds on Oct. 1, 1935, and 50 millions on Sept. 1, 1936. Total cheese stocks at Oct. 1, 1936 stood at 38.5 million pounds as compared with 29.6 million pounds for the same period a year ago and 33 millions on Sep. 1, 1936.

Egg stocks in Canadian cold storage at Oct. 1, 1936, were low, some 432,000 dozens being reported as compared with 565,000 dozens a year ago and 600,000 dozens on Sept. 1, 1936. Egg production this fall has fallen off more rapidly than the normal decline at this season of the year and the present tendency toward higher prices is the natural result.

Joy Oil Co. May Cut Gas In Toronto

Sister Firm's Price 18.8c in Montreal; Toronto 23½c

DELAY LICENSING

Joy Oil Co. Ltd. has encountered delay in getting licenses from the property committee of Toronto city council to erect storage tanks and service stations in the city area, partly because individual service station operators expect price-cutting if the Joy firm markets its lines in Toronto. Indirect effects might be felt by B. A. Oil, Imperial Oil, McColl-Frontenac, Canadian Oil but more directly by such purely marketing firms as Thayers and Supertest.

St. Lawrence Service Stations Ltd., operating 11 stations in Montreal, is a sister firm and is selling gasoline at 18.8 cents a gallon including 6 cents tax. This is described as a "gasoline war" based partly on imports of Roumanian petroleum products. Ordinary grades sell at 23½ cents including 6 cents tax in Toronto.

Detroit Sponsorship

Sunny Service Oil Co., Detroit, is the originator of the 2 Canadian firms. Mrs. Charles E. Austin, wife of the president of the Detroit firm, is in charge of the Toronto venture. It is planned to spend over $500,000 on a chain of 20 or more service stations. Sites have been selected and 5 have actually been rented on Toronto Harbour Commission waterfront property.

Extensive advertising has been used in the Montreal campaign of St. Lawrence Service Stations and it is anticipated similar methods would be used in Toronto.

License Problem

Toronto property committee has delayed granting of licenses to the Joy firm on technical grounds connected with construction plans. However, the city solicitor has suggested the committe has no authority to refuse licenses simply to limit competition among gasoline dealers; also that where by-laws have been complied with the applicant cannot be refused.

The Joy firm and its associated companies operate oil tankers upon which they depend for supplies, and continued delay would possibly prevent opening at Toronto for some months. Navigation usually closes some time late in November or early in December.

Suit Possible

F. G. McBrien, solicitor for the Joy Oil Co., states the company may sue the city of Toronto not only demanding permits but also damages if its plans are delayed by the municipality. As precedent for damages, he cites the case of Ontario Wrecking Co., which got judgment for some $9,000 against the city. Known as the Mandelbaum case, in this instance the city delayed issuing a permit for a junk yard when the plaintiff was changing sites.

In discussion before the committee, it was denied that the Joy Company had any intention of starting a gasoline war so as to sell out at a nuisance value to other firms.

Leasing Stations

Major oil companies recently announced a plan of leasing station properties to individual operators. One consequence is that a large number of these operators oppose the Joy firm's entry into the Toronto area in fear of price-cutting.

Large oil companies derive much of their revenue from producing and refining petroleum and then marketing to tenant service station operators. They also receive rentals for the properites. As owner-operators of service stations, the major companies found their retail revenues declining and hence the renting to the individual operators. As far as retailing gasoline goes, this plan makes the major companies landlords rather than merchants.

Additional service stations might tend to reduce volume of sales by the major oil firms to their present customers, the station operators.

Regardless of the Amount

Whether the amount to be invested is large or small, clients of this firm are assured of careful and courteous attention to their requirements.

A complete investment service is available at any of our Branches

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At the market approximately 83 and interest to yield about 5.87%

These bonds pay interest at the rate of 3% to Feb. 1, 1937, 4% to Feb. 1, 1938, and 4½% to maturity. Full information will be mailed upon request.

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BUTLER BYERS BROS. LTD., Saskatoon, Sask.
McCALLUM-HILL AND COMPANY, LIMITED, Regina, Sask.
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1866 1936
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Engravers and Printers of all kinds of Securities

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CHARLES G. COWAN, Vice-Pres. & Man. Dir.
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HEAD OFFICE : OTTAWA
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THE automatic oven heat control of a modern gas range makes baking failures almost impossible! The most inexperienced "cook" can get perfect cakes, pies and roasts!

Even if you get fine results from your *old* stove, you'll find cooking easier, bills lower, with a modern gas range. See them today!

MODERNIZE YOUR HOME WITH GAS

One of the many advertisements used by the gas industry in the "GAS IS MODERN" campaign.

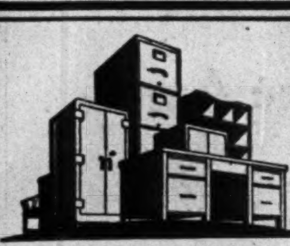
"GAS is modern"

SO runs the advertising campaign of the gas industry of the continent, as it tells the story that "GAS is the MODERN, all-purpose household fuel." It tells of quick, clean heat; the dependable, flexible fuel for the home.

As in the home, so is GAS IN INDUSTRY .... The International Business Machines Corporation, recently rebuilt and re-equipped its heat treating division at its plant, and STANDARDISED ON GAS as the heat treating fuel . . . Its machines are characterised by intricacy, large number of parts, precision of operation, long life, and indispensability in modern office work.

In the construction of these machines strength of materials is paramount, and for wearing parts the required physical and mechanical properties can be obtained only by good heat treatment. This phase is handled in a modern and completely equipped heat-treating division recently redesigned and rebuilt, and the furnaces are fired with gas.

The Consumers' Gas Company of Toronto



Standardize

Office atmosphere and appointments play a big part in your business reputation. It's good taste to make your offices attractive. It's good business to equip your staff with proper working facilities.

Standardize on reliable products.

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J. F. HOBKIRK, Manager

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THE Investors' Chronicle
Established 1860
Published in London, England, which has the largest net sale of any weekly financial newspaper, is publishing a special

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This Supplement will be read by Bankers, Stockbrokers and Financiers throughout the entire British Isles, and will thus form a valuable financial link between Canada and the Mother Country.

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MEAL-TIME is more than a routine interlude at these fashionable beachfront hotels. Come down soon for a change of scene and refreshment. Long Ocean Decks. Health baths. 1000 cheerful rooms. Spacious seaside lounges. The moderate fall rates will surprise you.

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CALGARY CANADA

A Modern Fireproof Hotel of 350 Rooms

Rates: $2.00, $2.50, $3.00
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Club Breakfasts 25c to 65c
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COFFEE SHOP

HOTEL LONDON, LONDON, ONT.

Manager: H. F. Struckett

Canadian Pacific Express Travellers Cheques Are World Currency

Get them from any agent of the Canadian Pacific & most Banks

Alberta Adopts Nationalism Through Social Credit Actions

State Control Schemes Violate Principles of Confederation

NATIONAL PROBLEM

By T. D'ARCY LEONARD
In an Address to the Canadian Club, Toronto

Lawyer is Well Qualified To Explain Alberta Law

T. D'ARCY LEONARD

T. D'Arcy Leonard, whose recent address on Alberta's unusual legislation is reproduced herewith, is a Toronto lawyer. He is general counsel of the Dominion Mortgage & Investments Association and secretary of the Trust Companies' Association of Ontario.

Mr. Leonard has a long and intimate acquaintance with finance and legislation, particularly with regard to the interests of investors. Consequently, he is well qualified to analyze the situation in Alberta.

T. D'Arcy Leonard was born in Toronto and educated at the University of Toronto and the Osgoode Hall law school. He served overseas early in the Great War and was severely wounded.

After the war Mr. Leonard was secretary for many years of the Ontario Land Mortgage Companies' Association. In this work he became intimately acquainted with all sorts of government legislation on taxation, mortgages and similar matters affecting investors. This concerned not only Ontario legislation but also enactments of the Dominion Government and most of the provinces. In his work for the Dominion Mortgage & Investments Association he continues in close contact with new legislation of provincial and Dominion governments. Thus his comments on the inter-relationship of Dominion and provincial jurisdictions are based on a knowledge of what the governments have actually been doing.

The story of Alberta today is the story of a province making an experiment in a new social and economic order, and that story is one of great importance not only to Alberta, but also to the public generally throughout Canada. First a few words to give you a background. Alberta's development has been comparatively recent and very rapid.

At the beginning of the century the population of Alberta was only 70,000. It has increased tenfold, and its production has increased in even greater proportion. With that development, and as part of it, came the inflow of capital for the construction of houses, schools, public buildings, and to help them with their equipment. Most of that capital came from the people of the rest of Canada.

Similarities in Provinces

In one respect the economies of Alberta, Saskatchewan, and Manitoba are alike. Their main products are marketed in world markets in competition with world goods at world prices. At the same time they all suffer from handicaps of a geographical nature, and these are reflected in the cost of production, and in the cost of marketing. During good times, when prices are high, these handicaps are perhaps not so apparent, but when their products do not command a good price in world markets they do stand out very clearly.

When we run into a depression such as has taken place throughout the world since 1929, the handicaps are felt particularly heavily by the 3 Prairie Provinces. Because of the facts I have mentioned these provinces did not have sufficient reserves. It became very difficult for them to stand against the collapse of prices and the withdrawal of markets affected by the barriers erected by economic nationalism.

Contrast With Saskatchewan

I say this, not in justification of the methods adopted by Alberta (because I don't think those methods will solve the problem and may tend to make it worse), but to some extent to explain what lies behind the experiment. On the other hand, Saskatchewan, which has really suffered to a greater extent, may, by different methods, very well have arrived at a much more satisfactory solution. To understand what has developed in the past year and a half we should have some comprehension of the problem which this experiment seeks to solve, and of the problem which will remain if it fails to do so. It is a problem which requires the serious attention of all Canadians.

Into this situation of a depression falling with particular heaviness on the 3 Prairie Provinces there came in 1935 Mr. Aberhart carrying the banner of Social Credit, with a programme suggesting "basic dividends" to all citizens of Alberta. These dividends, he suggested, were to be $25 a month for every man and woman in Alberta, with the proviso that if this were not enough it might be increased later.

It is little wonder that in the circumstances that slogan carried the day.

Social Credit Theory

Now a few words with respect to Social Credit. It is a theory based on the assumption that the troubles of the world are due to a chronic deficiency in purchasing power, and that the cure for that situation is to supply consumer credits in the form of "national dividends" to the people. From time immemorial, during periods of depression, there have been people who have contended that the cure of economic evils lies in some form of manipulation of money.

In olden times when gold and silver were the media of exchange, rulers resorted to the expedient of debasing the currency. Later when paper money first developed it offered prolific opportunities of manipulation because it was quite simple to print as much as was wanted. We have the examples of John Law in France and the continental bills in the United States. There have been more recent attempts to cure economic ills by this method, but they have all failed.

Cheque Transactions

During the past 75 years we have seen the development of another form of purchasing power — bank cheques—until today by far the greatest proportion of business is carried on through this medium. In other words, it is your credit at the bank, added to the bank's credit, that enables your goods and services to be exchanged for my goods and services.

With this new form of currency it is natural that some should consider it also as offering a field for manipulation which would enable us to find a new paradise. In the theory of Social Credit is a suggestion of a form of purchasing power operated in the manner in which bank cheques are operated. But when we come to the practical application of that theory I should say that there is a certain vagueness and lack of comprehension as to how that theory can be put into operation. It offers different interpretations to different people. That makes it difficult to understand the practical effect of the application of the theory of Social Credit. It has been said that if anyone will produce an economic theory and make it sufficiently incomprehensible then no person can possibly prove it is wrong.

State Control Feature

But in Social Credit there are certain characteristics which stand out, and these are essentials. One is that it involves the state control of currency. The second is that it involves the state control of banking. The third is that it involves the state control of maximum and minimum prices. From the third naturally follows the state control of business.

Now as to its particular application to Alberta: The first of the Social Credit measures was passed last spring. It was so vague as to be practically meaningless. As an example, the Act reads "It is hereby declared that the people of Alberta are entitled to the increment arising from their association." I am at a loss to know how one would enforce that statutory right in the courts.

Centralized Control

There is another section to which I would like to call your attention. It is typical of the movement toward centralization of control, which is not uncommon throughout the rest of Canada. It gives great powers and privileges to the government, acting through the governor-in-council. Such privileges are liable to abuse, abuse that savors of the Star Chamber.

I refer to the Social Credit Measures Act—Chapter 5 of Statutes—Section 7 which reads, "The Lieutenant-Governor-in-Council is hereby authorized and empowered to adopt and to put into operation any measures designed to facilitate the exchange of goods and services or any proposal which is calculated to bring about the equation of consumption to production and thus ensure the people of the province the full benefit of the increment arising from their association."

Throughout all this legislation you will notice very wide powers delegated to the Lieutenant-Governor-in-Council.

Tin Bank Money

Under that section there were issued during the summertime "Prosperity Certificates." These you know something about. On the face they bear a strong resemblance to Canadian currency, and on the back you will find a place for the stamps to be affixed by those who use them.

The most apt and characteristic description is that of "Tin Bank Money" which was applied to it in Alberta.

Its operation can be illustrated in this way: Suppose a man works 2 hours at 50 cents an hour, he receives for his remuneration one of these "tin bank" certificates, and the Government of Alberta says to him in effect: "If you will keep this 'tin bank' for 2 years and put in it each week a 1-cent stamp, and then bring it back to us with the dollar and 4 cents on it we will buy it from you for a dollar." That may sound absurd, but it nevertheless describes the conditions under which the certificates were originally issued. They had actual circulation for a certain length of time—till their character became very apparent. Since that time they have been given a certain value by redemption once a month, but in redeeming them thus the government loses some of the advantage it might have had from the issue of them.

Alberta's Bank

The next step was registration. Then the act established the Alberta Credit House which was in fact a bank but a bank without share capital and with no individuals constituting it as a corporation. Out of thin air it was produced. The government said: "Let there be a Credit House!" and a Credit House there is. Thinly disguised by such terms as "Credit House," Alberta credit, service charges and so forth the institution is in fact a bank without capital but with power to take deposits, make loans and establish branches. Alberta credit is designed to mean the same kind of credit that you and I have when we have a pass book showing a deposit in a bank. And what they call transfer of credit is the same thing that you and I use when we issue a cheque.

Voluntary Registration

The registration system, which is a necessary adjunct of Social Credit, is on a voluntary basis. People were asked to register and they have done so in large numbers.

Upon registration each is asked to sign a covenant under which he accepts certain terms of the Alberta Credit Act. A farmer, for example, agrees to sell 50% of what he has over and above his requirements for himself and his family in Alberta for Alberta credit, when called upon to do so. Salaried employees who register are asked to undertake to accept certain proportions of their salary in Alberta Credit Certificates.

With the covenant comes a questionnaire which gives complete information to the government with respect to the assets and liabilities of those who answer it.

Outstanding Requests

Two pieces of information wanted stand out particularly. One shows how much is spent for Alberta products and the other how much is to be paid on debts outside the province.

A retailer is asked how much he buys from Alberta firms and how much from outside. The manufacturer is asked how much he is indebted to the bank and to "Eastern" firms and the farmer is asked how much he pays to firms outside the province.

With registration and the establishment of the Credit House we should also look at 2 other things.

One is the act setting up a Department of Trade and Industry which also provides for the creation of a Price Spreads Board with power to fix maximum and minimum prices for the sale of goods in Alberta and power to fix maximum and minimum wages and salaries.

There is also an Act with respect to the licensing of business. Under that act there is power to require the registration and licensing of all trades in Alberta.

You have heard something about this question of licensing when it came to be applied to newspapers. When the press raised the objection that it was an attempt at "muzzling" the reply was made that if anything were done it would be done only to keep the press pure and see that it published only the whole, plain and unvarnished truth. I wonder what would be the government attitude towards a paper that told the truth and described Alberta credit as "Tin Bank Money."

Control and Credit

What we have is a set up of machinery for the control of currency —because this new Alberta credit is expected to circulate in Alberta as currency—control over banks, control over prices and, through these, control over business.

It is obvious that as long as Canadian currency circulates in Alberta it would normally be preferred over Alberta credit, because Alberta credit cannot be used outside the province. Therefore, it would be in the interest of the government, in setting up this system to minimize as far as possible the need for Canadian currency and encourage as far as possible trade and business to circulate only Alberta credit.

Economic Solution

If Alberta credit can circulate only in Alberta, then where two firms are in competition, one a purely Alberta firm, and the other one being an extra-provincial firm operating in Alberta, then if the Alberta firm can have its wages and obligations paid in Alberta credit, it is in the interests of the government to encourage and prefer that firm over the extra-provincial one which must meet its wages and obligations in Canadian currency. That means a short-circuiting of trade from existing channels to those firms that will deal in Alberta credit, and that means economic nationalism operating in one province of Canada.

Alberta has a favorable balance of visible trade in that it exports more than its imports, but the balance is unfavorable so far as invisible trade —interest on debts, insurance and the like—is concerned, and to that extent it is necessary to have Canadian currency. This brings us to the consideration of those measures that have been taken to deal with debts.

Debt Measures

One of the foremost of these is the "Debt Reduction and Settlement Act." This act divides debts into 2 classifications, old and new. Old debts are debts incurred before July 1, 1932 and interest is wiped out from that date and from now on. Any interest that has been paid since July 1, 1932, is to be applied to the reduction of principal.

The only reductions made are on interest-bearing debts. There is no reduction on non-interest-bearing debts, and on interest-bearing debts the man who gets the most reduction is not the man who is most involved —it is the man who is not in arrears. He gets a reduction equivalent to the 4 years' interest he has paid. The reduction applies even in the case of a necessitous creditor, and even where the debtor is in better circumstances than the creditor. The only relief that is granted to the necessitous creditor is that he may apply to the Debt Adjustment Board for an order to have a payment hurried up.

Creditor Cannot Sue

The Debt Adjustment Act provides generally that no action can be taken for debt without permission of the Board, and it gives power to the Lieutenant-Governor to declare a moratorium, not only as to past and present debts, but as to future debts as well.

Interest rates on provincial securities have been reduced by approximately half, and right of access to the courts is denied. That is repudiation.

In the matter of municipal bonds interest has arbitrarily been cut to 3% whether or not the municipality can pay or wants to pay its original obligations in order to preserve its credit for the future.

Goods Versus Credit

Coming back to the Social Credit theory it seems to me that if we could think in terms of goods instead of money as being wealth, and if we did not get lost in the ramifications of the banking system and credit, we would see that if anyone in Alberta is to get $25 a month for which he does not have to work what he will in effect get is 25 bushels of wheat that some other person has toiled to produce. Therefore, on the whole, anything in the form of dividends can only be paid out of the real wealth of Alberta—the produce of the farmers of the province—unless some way can be found to have these dividends paid by the rest of Canada.

What we have in this set-up is economic nationalism in one province. We have here a taking away of property, a control of business and a denial of access to the courts such as has not been witnessed before in any Anglo-Saxon country.

Rights of Others

It might be said that the people of Alberta elected this government and that they are entitled to the government they elected. But it should be borne in mind that others have certain rights and that the rest of Canada had no voice in the selection of the government.

Our constitution, as you know, is the British North America Act, and when the Fathers of Confederation sat down to draft this Act they had before them the experiences of the United States of America which had just gone through a civil war as to whether there should be a United States or not. Though slavery may have been the nominal cause of the conflict, the real issue was one of secession.

B. N. A. Act Principles

It is easy to see that in framing the British North America Act it was desired to have a strong central government which would lead to the establishment of a nation in the northern part of this continent. All legislative powers were divided between the central government and the provinces.

In the United States certain powers were not given either to the Federal Government or to the states, but were left with the people. These might be called powers relating to matters of natural justice—inviolability of contract, right of access to the courts and so on. These rights were left with the people and not with the Federal or State governments. But when we framed our constitution we had to take our authority from the British Parliament, and it was desirable that we should take up all powers. And this we did, dividing them between the provinces and the Dominion.

Division of Powers

To the provinces were given those matters of local interest such as: Municipal government, prisons, hospitals, roads and so on. And to the Dominion were given all those broad powers affecting national interests, such as defence, banking, currency, interest and so forth. In addition the Fathers of Confederation left the residue of power with the Dominion, and provided that if there should be any conflict between provincial legislation and Dominion legislation, the Dominion should override the provincial. Furthermore, the Dominion was given the right to disallow any provincial act. Thus there is a certain amount of protection afforded to those whose interests are jeopardized by provincial legislation.

In the first 40 years after Confederation these powers were freely exercised but of late there has been a growing tendency toward a vigorous assertion of provincial rights. I think this tendency has reached its climax in the recent Alberta legislation.

Question of Disunity

We are now face to face with the question of whether or not we have in Canada a loosely-knit aggregation of 9 separate provinces each following whatever policy appears expedient to it, and only acting together in so far as such action may not be in conflict with their own particular problems. If that is to be the case it is not compatible with the constitution of Canada as a nation.

It is an important question which everyone should consider as to whether there are certain common interests, ideals and traditions such as those of individual freedom, right of access to the courts, and respect of property throughout Canada which transcend any local interest.

If it is the belief of the people of Canada that we have such common ideals it is important for us to see that we have a constitution that does safeguard and protect those common ideals and interests.

Chem. Research Officials Deny Any Mismanagement

In a letter to shareholders of Chemical Research Corp., F. F. Beall, president, and H. H. Emmons, secretary, take issue with a group of Canadian shareholders who have sent out a circular stating it would be undesirable to elect present officers unless they can give satisfactory explanation of allegations made in recent bills of complaint before U. S. courts. Their reply accompanies a notice calling the annual meeting for October 28 at Detroit, Mich., and a suggestion that shareholders give proxies to F. F. Beall, S. Wells Utley and Walter Tant.

Beal and Emmons state the bill of complaint referred to was taken by Reuben J. Ravelle, of Toronto, employee of West & Co., stock brokers. His suit was dismissed at the first hearing in Detroit and again on appeal October 17, says the letter.

Received No Canadian Money

The letter continues that the company never sold a share of stock to the public, that all stock owned by Canadian stockholders was sold to them by private individuals or stock brokers and that no money paid for such stock ever reached the treasury of the corporation. Its sole assets consist of 60% of Gyro Process Co. stock issued. Gyro Process Co. in turn owns patents covering its gasoline processes and conducts the development of the processes and the licensing of their use to refineries.

The Threat of War

THOUGHTFUL observers of the situation agree that the risk of a new European war is great . . . but disagree as to its imminence.

What problems does the threat of a European war hold for Canadian investors? Where, in the event of a general conflict, will capital be safest? What, if any, steps should be taken now to protect investments and minimize the risk of loss?

Disregarding the possibility of speculative profits, we, as Investment Counsel, must give serious consideration to the threat of war in shaping and revising investment programs for our clients. The present unrest in the world is one of the many complex factors which enter into successful investment management.

We will be glad to send you a copy of our booklet: "The Management of Your Investments".

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Investment Counsel
437 ST. JAMES ST., WEST, MONTREAL

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G. W. Bowcock *J. J. Hackett* *R. F. Morgan*

Now Nash shows Canada
how Big popular-priced cars can be

(Car illustrated is Nash Ambassador Six)

Again Nash is out to win with greater value . . . again Nash is a step ahead of the industry with bigger cars, more luxurious cars than Canada has ever before seen at anywhere near these prices. See them . . . and you'll get an entirely new conception of the *kind* of car you can afford this year!

CAMPERS! TOURISTS! You can turn your Nash car into a sleeping car. Make a roomy, 6-foot bed in less than 10 minutes. Ask your dealer.

NASH LAFAYETTE "400"
(117-inch Wheelbase)
. . . more than sixteen feet long! 90 Horsepower Motor that costs less to run than many of today's smallest cars.
$810 AND UP*

NASH AMBASSADOR SIX
(121-inch Wheelbase)
95 Horsepower "Twin-Ignition" Motor. Luxury and beauty never before found in cars costing less than $2500
$1030 AND UP*

NASH AMBASSADOR EIGHT
(125-inch Wheelbase)
105 Horsepower "Twin-Ignition" Motor. A car with all the important advantages of the most expensive cars.
$1170 AND UP*

*All prices Canadian list, and subject to change without notice. Special equipment extra. Automatic Cruising Gear available on all models at slight extra cost.

CONVENIENT LOW TERMS THROUGH C.A.C. BUDGET PAYMENT PLAN

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Three-cent stamp must be enclosed. Address The Financial Post, 481 University Ave., Toronto.

Massey-Harris

I should like some information on Massey-Harris Co. Ltd., with particular reference to bonded indebtedness, capitalization, book debts and reserves. Are all book debts collectible?

On Nov. 30, 1935, Massey-Harris Co. had outstanding $8.7 millions of 5% sinking fund bonds, due 1947; $378,000 of 5% bonds due 1940; $12.1 millions of 5% cumulative preferred stock; and 728,409 no par value common shares. The company showed current assets of $20.1 millions and current liabilities of $2.1 millions, leaving working capital of $18.6 millions.

While that seems a very strong situation, there is some doubt as to the collectibility of part of the bills and accounts receivable shown at $10.1 millions. It is understood that inventory at $8.9 millions represents full value. The company has been working off old inventory for some years and it is now actively some years.

With regard to bills and accounts receivable it should be noted that about $3.2 millions are in foreign countries where there are restrictions on the export of funds. These restrictions have been lifting and the company has been able to bring back some money. Reserves have been provided against losses on bills and accounts receivable amounting to 29.9% of the total and against inventories of 23.2%.

The company has had a strenuous time during the depression and showed losses each year. It was able, however, out of its collections of accounts, and sales from inventory, to pay off nearly $8 millions in bank loans and overdrafts. During the last 2 years it showed no bank loans at the end of the year and bills and accounts payable were only $1.1 millions.

There was some improvement in business early this year, but sales naturally began to fall off as it became evident drought was affecting crop conditions in western Canada and elsewhere. Better prices of farm products, however, help the company and make the future more promising.

Donnacona

Will you please let me have information on the common stock of Donnacona Paper Co.? I would like to know what progress it has made and the prospects?

Donnacona Paper Co. has 2 classes of common shares outstanding; the class A stock, given to the bondholders under the reorganization plan, carries exclusive voting rights until the end of 1941, after which the division of capital stock is abolished and the A and B shares become merged in the one class. Donnacona has recorded progress both in operations and earnings. However, the company is not doing much more than earning interest charges on its funded debt as outlined in the plan adopted this year. Prospects, on the other hand, are considerably better. The company recently secured a contract from the Hearst newsprint buying organization covering 25,000 tons of newsprint annually for the next 5 years. This business will enable newsprint operations to be stepped up considerably and should result in improvement in earning power.

C.P.R.

As a subscriber to The Financial Post we would appreciate an expression of opinion from you in regard to the Canadian Pacific Railway common stock.

Railway operations in the Dominion have not been very profitable in recent years and though the Canadian Pacific Railway has been able to cover its fixed charges, no dividends have been paid on the preferred or common stock for some time. In 1934 and 1935 there was a surplus after fixed charges, but in view of the uncertain outlook, the director decided not to pay anything on the preferred. The common has speculative possibilities, for with further recovery in business, it is natural to expect that earning power of the C.P.R. should also improve.

Bathurst

Have you any current information on operations of Bathurst? Have earnings been increasing and what is the outlook for the company?

Bathurst Power and Paper Co.'s sales and earnings this year are officially reported to be running well ahead of 1935, when the company earned 24 cents a share on its Class A stock. Financially Bathurst occupies a strong position, with net working capital at the end of last year being over $2.4 millions, of which over $1 million was in cash and government securities. The management have been active in converting machinery to products other than newsprint, with the result that the diversification has provided greater stability of operations and increased earning power.

Gypsum Lime

What is the current position and outlook for Gypsum, Lime and Alabastine stock?

Gypsum, Lime and Alabastine (Canada) is one of the companies which should benefit from any improvement in the building trades. As a matter of fact it is anticipated that the government's plan of assisting the financing of renovations and new building will bring a large amount of sales to the company. To the end of last June the company's operations are understood to have resulted in a net profit of almost $100,000 after all charges, but before depreciation, as compared with a small deficit in the corresponding period of 1935. Sales and earnings during the middle months of the fiscal year which ends Nov. 30 are usually appreciably greater than for the earlier period and a continuation of the increased volume of business is likely to result in a better showing for the year.

Hamilton Bridge

I would appreciate a report on earnings and prospects of Hamilton Bridge Co. I am considering the purchase of common stock of this company.

The liquid position of Hamilton Bridge Co. has been gradually weakened during the depression, owing to a series of substantial losses due to inactivity in construction trades. The company is apparently well managed, and this year is expected to show substantial improvement in its results. A net loss of $91,000 was shown in 1935 which is about half the average loss for 1932, 1933 and 1934. Profits, if any, this year will be required to apply on the accumulated deficit of $103,000. If construction revives materially, the company will first have to deal with arrears of over $27 a share on its preferred stock, which is the senior security of the company. If such arrears were settled, it might cause a rise in the common. However, under the circumstances, the common shares must be regarded as speculative even though earnings amounted to $4 a share in 1929. The purchaser of the preferred stock stands a better chance.

Brazilian Traction

I would like your comments as to the management, financial position and outlook of Brazilian Traction, Light and Power Co.

Brazilian Traction may pay another cash dividend this year, 30 cents a share having already been paid. The company earned 74 cents a share last year, and will probably earn 80 cents a share in 1936. However, the main problem is to get the money out of Brazil which country has been short of foreign credits. This has prevented the company transferring its money to Canada and London for dividend payments.

It is believed that in the long run improving exports from Brazil will relieve the exchange situation. The company cannot be regarded as a stable utility, however, since it has to deal with uncertain elements in Brazilian politics and this has resulted in disturbance of its power rates. The company is in a strong financial position, but the main problem of management is to maintain friendly relations with Brazilian governing forces.

Electrolux

I was thinking of making a purchase of Electrolux Corp. stock. What is your opinion of this company?

Electrolux Corp. has been reporting a steady expansion in earnings. Consolidated net profit for the first 9 months of 1936 totalled $1.77 a share compared with $1.61 a share in the same period of 1935. The stock of this company is a newcomer to the Canadian investment field, it having been listed on the Montreal Exchange a short time ago. The company has only been organized since 1931 and since then both earnings and dividends have consistently increased.

B. A. Oil

I would appreciate a report on British American Oil shares.

British American Oil has announced that earnings on higher sales in Canada this year to date have not been quite up to the level of the preceding year. To make up for that, however, its profits on its operations in the United States are greater than anticipated. The company has been having very interesting developments in its oil fields at Oklahoma City. Week by week through the year it has been bringing in new wells and the prospects for extra dividends from this source in the future can be regarded as promising.

Canadian Car

Would you be kind enough to give me information regarding Canadian Car and Foundry Co., the common stock of which I am considering purchasing.

Canadian Car and Foundry Co. financial statement for the year ended Sept. 30 last is expected to show a net operating profit, the first to be reported for several years. This change in trend was due to the receipt of railway orders, the financing of which was arranged by the Dominion Government. At the moment the volume of business handled by the company is relatively small. There has been an active market interest in both the common and preferred stocks of Canadian Car owing to reports of possible war orders; settlement of the war claim would net the company several million dollars and a general recovery in business. The common is still speculative and it is a difficult matter to indicate what is likely to be the market trend.

Maple Leaf Milling

Do you consider Maple Leaf Milling Co. common shares a good speculation? What are the prospects of dividends being paid on the common? I hold a number of British American Oil shares on which I have a good profit and am wondering whether it would be advisable to sell these and invest the proceeds in Maple Leaf common.

Shares of Maple Leaf Milling Co. will have to wait a considerable time before dividends are possible. If, however, you are satisfied to go into a long term gamble of this kind, rather than stay with your more stable British American Oil shares, it may turn out satisfactorily.

Maple Leaf is paying only 2¾% on its bonds in cash. The remaining 2¾% is being paid by issuing class A shares to bondholders. The company has a large deficiency in working capital and has an additional $2 millions of deferred bank loans. Appreciation in the value of common shares will depend entirely upon more pronounced recovery in flour milling, and upon the company's ability to recover earnings to such an extent that it can pay off or fund its current liabilities.

Huron & Erie

I notice that Huron & Erie Mortgage Corp. stock is down to $70 a share. This gives a yield of 7% if the present $5 dividend is maintained. I am considering the purchase of this stock and would appreciate some information on the company and its prospects. Is the stock a risky speculation?

Shares of Huron and Erie Mortgage Corp. cannot be regarded as "a risky speculation," but like many other mortgage corporations, the company has a problem in the losses which it appears likely to realize on loans in western Canada. We understand officials of the company made a personal survey of all mortgage loans last year. At the end of 1935 it was felt that adequate provision had been made for all possible losses.

In addition to the $5 millions of fully and partly paid stock, the company has a reserve fund of $1.5 million after writing off $1.3 million from this fund over the past 4 years. Furthermore, a considerable amount of interest due and unpaid has not been charged in the books of the company. The capital and reserve represents the equity of the shareholders for protection of the company's debenture holders and depositors. If there is a return to higher interest rates in Canada, the company may be able to show an increase in income, in contrast with the decline it has experienced in recent years along with other mortgage companies.

It is not possible to foresee the future for a company in this position, but it does not seem likely that there will be a rapid rise of earnings.

Dryden Paper

Can you give me a report on Dryden Pulp and Paper?

It is understood that Dryden Paper Co.'s financial statement for the fiscal year ended Sept. 30 last will show earnings sufficient to cover not only interest, but also a substantial amount for depreciation and depletion.

The financial statement for the 1935 fiscal year showed the company to have a satisfactory financial position, with no bank loans and current assets exceeding current liabilities in the ratio of 13.37 to 1. Earnings during that year amounted to $93,365, which was sufficient to cover interest charges of $86,400 on the first mortgage bonds. No reserves were set up for depreciation or depletion between 1931 and 1934, while in 1935 only $10,379 was set up, representing depletion at the rate of $1 per cord of wood cut during the year.

Saskatoon Bonds

I would appreciate a report on city of Saskatoon bonds and the financial standing of the city.

Saskatoon bonds can hardly be regarded as high-grade securities, but they enjoy good standing in comparison with bonds of other western cities. The city has enjoyed good management and has avoided any suggestion of default despite adverse conditions. The bonds sell at a substantial discount, but this cannot be taken to reflect a serious situation in the financial affairs of the city. Western municipal bonds generally are not well-regarded by investors because of the situation in Alberta and of other compulsory conversion proposals. The danger of default by this city appears to be remote, especially since it has a strong sinking fund. Saskatoon is on the border-line of the dry area where crop failures have been experienced for several years. When good crops return to the area the city should have no difficulty in regaining its former strong position.

A favorable feature of the city's financial position is that despite adverse conditions it has managed to maintain its sinking fund requirements. Out of a sinking fund of $5.8 millions at the end of 1935, only $6,321 was in default. The relief burden has been heavy and has been largely responsible for weakening the city's financial position.

STOCKS LISTED AND UNLISTED BONDS

Hambly, Peaker & Trent

Members
THE TORONTO STOCK EXCHANGE

613 DOMINION BANK BUILDING
TORONTO
Elgin 3294

Abitibi Earnings for 1936 Substantially Above Last Year

Although details are not available, Abitibi Power & Paper Co. will show substantially better results in 1936 than last year, The Financial Post is informed. Increasing volume of production and slight advances in the price of newsprint account for a large part of the improvement.

Power costs of the Thunder Bay Paper Co., Abitibi subsidiary near Port Arthur, Ont., have been reduced from $21 to $19 per horsepower by the Hydro-Electric Power Commission of Ontario. If the mill can continue operating at capacity, this would mean a saving of about $50,000 annually. The second newsprint machine in this mill was started this month so the mill is now operating at capacity.

Net earnings available for depreciation and bond interest were $1.2 million in 1935, compared with $952,000 in 1934. Without taking depreciation into consideration this was equivalent to earning nearly 2.5% on the $48.3 millions of outstanding 5% bonds which are in default. However, the company formerly charged about $1.7 million annually as depreciation and depletion so that last year's earnings were not sufficient to cover these charges.

Lake of Woods

Pay $14 a Share On Preferred Dividend Arrears

From Our Own Correspondent

MONTREAL.—Lake of the Woods Milling Co. has commenced liquidation of dividend arrears on its preferred stock, by declaration of a dividend of $14 a share on account of arrears.

The company owes its shareholders $28 a share for arrears on the preferred, so that the current payment, which will be paid December 1, reduces this contingent liability by half. The directors have given no indication as to how the balance will be paid, but expectations are that it will be the policy of the company to pay a lump sum at the end of each fiscal year until such time as these arrears have been liquidated.

For some time there has been talk of various plans which Lake of the Woods will put forward in order to clear up this liability. At one time it was suggested that the company would float a bank loan and on another occasion it was thought arrears would be paid off through issuance of stock.

Inter City Western Improves Position

Action Expected Shortly on Payment of Another Bond Coupon

From Our Own Correspondent

MONTREAL.—Inter-City Western Bakeries Ltd. subsidiary of Lake of the Woods Milling Co., is reported to have experienced an improvement in earnings during the 8 months ended September, 1936, as compared with the corresponding period of the previous year.

The upward trend has been steady since last May with September the best month in several years. The rise in fall prices has forced independent small bakeries to advance their prices and has lessened the price-cutting evil.

Pay Another Coupon

The improvement in income has added to cash resources, with the result that expectations now are that the company will decide to pay another half yearly coupon on the first mortgage bonds which are in default. Regular payments were made on the bonds up to May 1, 1933. On May 1 last, the May 1, 1933, coupon was paid in full.

Can. Commodity Exchange Passes Second Milestone

From Our Own Correspondent

MONTREAL. — Canadian Commodity Exchange is celebrating its second anniversary, trading in silver futures having been inaugurated toward the end of October, 1934. A year later the produce section was added, when trading started in butter, cheese and eggs.

During the 2 years of its existence over 123 million ounces of silver have changed hands in the Exchange's silver pit. This amount is equivalent to roughly one third of the total world production in the same period. In the produce section over 8 million pounds of butter have been bought and sold since trading started.

Directorate Changes Made Cockshutt, Frost & Wood

J. E. Ruby, president and general manager of Frost & Wood Co., Smiths Falls, has been elected a director of Cockshutt Plow Co. to replace the late G. K. Wedlake. It is announced as well that G. C. Scott becomes general sales manager of Cockshutt Plow Co.

Frost & Wood elects George A. Dobbie, of Galt, to take the place of Mr. Wedlake on that board. On November 1 W. Ashton Cockshutt goes to Smiths Falls as assistant general manager and a director of Frost & Wood.

CANADA'S GROWTH

Canada's greatness is the result of generations of growth. By safeguarding savings, by promoting confidence, by stimulating construction, by encouraging thrift, the Canada Permanent Mortgage Corporation has contributed to Canada's sturdy growth for more than 81 years.

FOUNDED 1855

CANADA PERMANENT Mortgage Corporation

HEAD OFFICE: 320 BAY ST., TORONTO
ASSETS EXCEED $69,000,000

Langley's Ltd. Earnings Jump

Early Resumption of Dividends Predicted By President

Improvement in operations of Langley's Ltd., Toronto cleaners and furriers, continues, net earnings before depreciation for the 9 months ended Sept. 30 last amounting to $65,595. This is the best showing reported for any 9-month period since 1931. Net earnings in the same period of 1935 amounted to $41,695.

Improvement is also shown in company's balance sheet position, working capital amounting to $126,115 at Sept. 30 compared with $109,527 at Dec. 31 last. Current assets at $167,668 consist of $9,024 in cash, accounts receivable of $45,810 and inventories of $112,833. Included in inventories are customers' stored goods undelivered amounting to $64,264. In the ordinary course of business these should be paid within the next 2 or 3 months. The result should be a betterment in the company's cash position.

During the past year the company has opened 18 new retail stores. Cost of improvement to leased properties is being written off over the period of the leases and has amounted to $6,719 this year. The cost of furniture and equipment has been capitalized and provision for depreciation on these will be made annually.

In a letter to shareholders, G. L. Langley, president, predicts early resumption of dividend payments. Directors, however, have decided not to make any November payment.

Great Lakes Power Costs Cut $63,000

Output of 100,000 Tons of Newsprint for This Year

OUTLOOK BETTER

Great Lakes Paper Co. saves about 63 cents a ton, or some $63,000 annually, on costs of producing newsprint by the recent reduction of power rates at its mill at Fort William.

Hydro-Electric Power Commission of Ontario has reduced its rate to the company from $21 to $18 per horsepower. The reduction to Great Lakes Paper Co. is $1 a horsepower more than for other companies in the area because the company accepts delivery at 110,000 volts and operates its own transformers.

Production 100,000 Tons

The company's production will be approximately 100,000 tons of newsprint this year, the full rated capacity of the mill. Thus the saving is around $63,000 annually. The importance of this is apparent when compared with fixed charges on the new 5% bond issue of $300,000 annually.

Management of the company expresses confidence in the outlook. Costs have been greatly reduced, production is at capacity, and when the question of re-allocation of timber limits is settled with the Ontario Government, the company will make substantial outlays on permanent improvements which will reduce costs still further.

Constructive Attitude

Although the company has not joined forces with the rest of the newsprint industry in "Nemac," the Newsprint Export Manufacturers Association, it is described as "maintaining a constructive policy for the industry." It will be recalled that other newsprint interests opposed the recent Great Lakes reorganization because of a fear that the company would become a disturbing factor in the price situation.

Operating at capacity, the rise of newsprint to $42.50 a ton for 1937 will give the company an additional $150,000 of revenue. In 1935, operations were at only about 60% of capacity. Combining this rise of income with the cost-cutting policy officials feel there is promise of substantial improvement over results when the company was in receivership.

The coupon due Oct. 1 on the company's new bonds was not paid, and another $150,000 could be saved for working capital by non-payment of the coupon due April 1, 1937. There is some opinion in favor of conservation by not paying interest next April, but it is still too early for a final decision. The company had to make outlays of over $400,000 for reorganization and had to borrow to pay the coupon for April 1, 1935.

The improved outlook has been reflected in a rise of the new class A preferred shares from about $8 to about $18 in the past 2 months. Dividends are not possible until earned and until newsprint reaches $45.30 a ton. Despite the large outlays for reorganization expenses and deferment of bond interest, the new 5% issue is quoted around 80.

Alberta's Cement

A consistent rise in production of cement in Alberta is noted in the Federal report covering the last 3 years. Production rose from 149,206 barrels in 1933 to 219,555 barrels valued at $436,914 in 1935.

CANADIAN SECURITIES

Dominion and Provincial Government Bonds
Municipal Bonds
Public Utility and Industrial Financing

DOMINION SECURITIES CORPORATION LIMITED
TORONTO MONTREAL WINNIPEG VANCOUVER NEW YORK LONDON, ENG.
15 King Street West, Toronto

Big B. C. Bridge Beating Schedule

Expect Traffic Over the Fraser by Next Mid-Summer

From Our Own Correspondent

VANCOUVER.—Three months of good weather have made it possible to speed construction of the new bridge across the Fraser River at New Westminster, which will be named Pattullo Bridge.

The bridge will probably be finished a month ahead of schedule, and traffic will probably be moving over the span by the end of next August. The contractors, Northern Construction Company and J. W. Stewart Ltd., have until the end of Sept., 1937, in which to complete the $3.5 millions job.

Major W. G. Swan, engineer in charge of construction, says that it may be possible to finish the bridge even before August at the rate of progress now being made.

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LONDON, CANADA
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DEPOSITS ACCEPTED DEBENTURES ISSUED
Mortgage loans on owners' homes at low rates of interest
Capital (Fully Paid), $2,000,000 Reserve Fund, $2,400,000

1937 registration plates commemorate Coronation Year with crowns and white figures on red background. Each plate carries only one series letter.

To Save Ontario Motorists Time and Money

1937 MOTOR VEHICLE PERMITS AVAILABLE NOVEMBER 2nd

DUE to the advance in the new car purchasing season and the fact that increasingly large numbers of used cars and trucks are now purchased at this time of year, 1937 Motor Vehicle Permits and Operators' Licenses are being made available November 2nd.

1937 Permits available November 2nd save the purchaser of a new car or truck the expense of 1936 registration.

They save the purchaser of a used car or truck the fee for transferring the 1936 registration (1937 Permit can be procured without transfer fee).

This advance sale of 1937 Motor Vehicle Permits and Operators' Licenses is for *your* convenience. Take advantage of it. There are one hundred conveniently located issuing offices throughout the Province. You will receive quick, efficient service at the one nearest you.

MINISTER OF HIGHWAYS
PROVINCE OF ONTARIO

STOCK AND BOND MARKET QUOTATIONS

Montreal, Toronto, Curb

The following table is confined to official prices for listed stocks. Where no recent transaction is recorded on stock exchanges, bid and asked prices are given as a guide to current levels. For unlisted stocks, in which transactions are not officially recorded, bid and asked quotations by unlisted dealers are published elsewhere on this page. While The Financial Post endeavors to obtain the most accurate prices for unlisted stocks it cannot accept any responsibility for such quotations.

WEEK ENDING OCTOBER 26

Range 1936 High	Low	Div R'te $	Oct 24 Y'ld %		Sales	Last Oct. 19	Week end. Oct. 26 H	L	Cl'se
				A					
4.65	1.25	.	...	Abitibi	38423	4.00	4.12	3.50	3.50
24¼	6¼	.	...	Do. pref. 6%	5490	21¾	24¼	21	21¼
23¼	6¾	.	...	Do. cert. dep.	85	21¾	23¼	21	22
4½	4½	.	...	Acadia Sugar	....	(4½ Apr. 24)			
21	14½	50c	2.5	Acme Glove	....	(16 bid 19¾ aksed)			
100	94	6.50	6.9	Do. pref.	....	(— bid 97 asked)			
10	7½	40+20c	7	Agnew Surp.	30	8½	9	8½	9
110	100	7	6.4	Do. pref.	....	(— bid 110 asked)			
6	2	.	...	Alta. Pac. Gr.	30	3½	3	2½	2½
39	19	.	...	Do. pref.	115	23½	23	21½	22
54½	54½	.	...	Aluminium	....	(54½ Sept. 24)			
4	2	.	...	Amal. Electric	165	3	4	4	4
23	14	.	...	Do. pref.	....	(17 bid — asked)			
[illegible]	[illegible]	[illegible]	...	Amer. Cyn. B.	10	33	35	35	35
3¾	1¾	.	...	Walkerville Br.	370	2¾	2¾	2½	2½
2.25	.95	.	...	Waterloo Mfg.	1065	1.50	2.25	1.50	2.25
11½	4½	.	...	West. C. Flour	3270	9¾	11½	9¾	10¾
72	36	.	...	Do. pref.	455	69	72	68	71
60	46½	2	3.3	West. Grocers	....	(60 bid — asked)			
115	106	7	6.1	Do. pref.	....	(115 bid — asked)			
19¾	13½	80c	4.1	Weston Ltd.	3716	19¾	19½	19½	19½
108	98	5	4.6	Do. pref.	70	106½	108	106½	107½
2.00	.75	.	...	Windsor Hotel	....	(1.75 bid — asked)			
7	4	.	...	Do. pref.	16	7	7	7	7
4½	1½	.	...	Winnipeg El. A	2896	4	4	3	3
4½	2½	.	...	Do. (B)	598	4	3¾	2¾	3
21	17½	.	...	Do. pref.	205	20½	20½	19½	19½
53	38	.	...	Wood, A. & J. p	....	(40 bid 50 asked)			
82	50	.	...	Woods Mfg., pf.	61	72	82	76	82
				Z					
4½	2¾	.	...	Zimmerknit, c.	....	(4 bid 5 asked)			
76½	60	3.50▲	..	Do. pref.	....	(70 bid 90 asked)			

* Quotations for 1935. No sales recorded in 1936 to date.
▲ On account of arrears. b New York quotations.
‡ Plus extra of $1.42½ paid Feb. 1, 1936.
▪ Plus stock bonus 1% paid Oct. 1.

Government Bonds

October 28, 1936

Dominion of Canada Bonds	Rate	Due	Bid Oct. 28	Asked Oct. 28	Approx. Yield	Bid Oct. 21
†‡Dominion	5	1 Mar. 1937	101.25	101.75	...	101.25
‡Dominion	5½	1 Dec. 1937	104.50	105.00	.90	104.65
Dominion	2½	15 Oct. 1939	103.00	103.75	1.22	103.00
Dominion	4	15 Oct. 1939	106.25	107.25	1.52	106.75
Dominion	2	15 Nov. 1939	101.75	102.50	1.17	101.75
Dominion	1½	1 June 1940	99.75	100.50	1.35	100.25
Dominion	4½	1 Sept. 1940	108.25	108.75	2.10	108.90
Dominion	1	15 Mar. 1941	97.75	98.50	1.34	98.00
Dominion	5	15 Nov. 1941	111.75	112.50	2.38	112.75
Dominion	3	15 Oct. 1942	103.25	104.25	2.24	103.75
Dominion	2½	1 June 1943	102.00	102.50	2.09	102.25
Dominion	5	15 Oct. 1943	112.75	113.50	2.86	113.75
Dominion	4½	15 Oct. 1944	111.00	111.75	2.84	111.65
▪Dominion	2½	15 Aug. '43-45	99.75	100.35	2.44▲	100.25
Dominion	4	15 Oct. '43-45	108.00	108.75	2.62▲	108.50
Dominion	4½	1 Feb. 1946	111.00	111.75	3.04	111.65
Dominion	3½	15 Oct. '44-49	103.75	104.50	2.87▲	104.00
Dominion	4	15 Oct. '47-52	107.00	107.75	3.16▲	107.50
Dominion	3	1 June '50-55	99.25	99.85	3.01▲	99.50
Dominion	4½	1 Nov. '46-56	110.00	110.75	3.23▲	110.50
Dominion	4½	1 Nov. '47-57	110.00	110.75	3.32▲	110.50
Dominion	4½	1 Nov. '48-58	110.75	111.50	3.36▲	111.15
Dominion	4½	1 Nov. '49-59	111.00	111.60	3.39▲	111.25
▪Dominion	3¼	15 Jan. '56-61	101.75	102.40	3.08▲	102.00
Dominion	3¼	1 June '56-66	100.15	100.85	3.19▲	100.65
♦Dominion	3	Perp. bonds	95.25	95.75	3.13	95.65
Dominion Guaranteed Bonds						
*G. T. P. Ry.	3	1 Jan. 1962	99.00	100.00	3.00	99.00
Can. N. Ry.	3	1 May 1944	103.00	104.00	2.41	103.25
Can. N. Ry.	3	15 Dec. '45-50	98.75	99.75	3.03▲	99.25
Can. N. Ry.	3	15 Feb. '48-53	98.75	99.75	3.02	98.75
*Can. N. Ry.	4½	1 Sept. 1951	113.00	114.00	3.31	113.25
*Can. N. Ry.	4½	1 Feb. 1956	113.75	114.75	3.45	114.00
†Can. N. Ry.	4½	1 July 1957	113.00	114.00	3.55	113.25
*Can. N. Ry.	4¾	15 June 1955	115.75	116.75	3.53	116.50
Can. N. Ry.	5	1 Feb. 1954	116.75	117.75	3.61	117.00
*Can. N. Ry.	5	1 July 1969	116.75	117.75	2.98▲	117.25
*Can. N. Ry.	5	1 Oct. 1969	118.75	119.75	3.41▲	119.00
*M. Harb. C.	5	1 Nov. 1969	118.50	120.00	3.43▲	119.00
Eastern—Provincial Government Bonds						
N. Bruns.	4	1 Sept. 1954	103.00	104.00	3.69	103.25
†N. Bruns.	4½	15 Apr. 1961	109.00	111.00	3.82	109.00
†N. Bruns.	5	15 Jan. 1960	113.00	115.00	4.01	103.50
N. Scotia	3	2 Sept. 1945	98.00	100.00	3.00	98.00
N. Scotia	4½	15 May 1943	107.00	109.00	2.98	108.00
†N. Scotia	4½	15 Sept. '47-52	109.00	111.00	3.30▲	110.00
†N. Scotia	5	1 Mar. 1960	115.00	117.00	3.89	117.00
*Ontario	4	1 June 1962	107.00	108.00	3.52	107.00
*Ontario	4½	1 Sept. 1944	112.25	113.25	2.65	112.00
Ontario	4½	1 June 1950	110.25	111.50	3.45	111.00
*Ontario	4½	15 Jan. 1962	112.00	114.00	3.65	112.00
Ontario	5	15 Oct. 1948	113.50	114.50	3.50	114.00
*Ontario	5	2 Dec. 1960	119.50	121.50	3.66	119.00
Ontario	5½	1 July 1946	114.50	115.50	3.64	115.00
O. H. C.	3½-4-5	1 Oct. '36-52	100.00	101.00	1.28▲	100.00
Ont. Hyd. C.	4¾	1 Jan. 1970	117.50	119.00	3.74	118.00
P. E. I.	3	1 Oct. 1945	100.50	101.50	2.82	100.50
Quebec	4	15 Mar. 1952	107.00	109.00	3.26	107.00
Quebec	4¼	1 Aug. 1958	110.25	112.25	3.45	110.50
Quebec	4½	2 Jan. 1963	112.25	114.25	3.65	112.50
Western—						
Alberta	4	15 Dec. '49-54	59.00	63.00	§	60.00
†Alberta	4	1 Dec. 1957	61.00	64.00	§	62.00
Alberta	4½	1 Oct. 1951	72.00	75.00	§	72.00
†Alberta	4½	1 Oct. 1956	63.00	66.00	§	64.00
†Alberta	5	1 Jan. 1948	64.00	67.00	§	65.00
Alberta	5	1 Sept. 1955	62.00	65.00	§	63.00
*Alberta	5	1 Oct. 1959	64.00	66.00	§	65.00
†Alberta	5½	1 Jan. 1947	65.00	68.00	§	66.00
Alberta	6	1 Mar. 1947	66.00	69.00	§	66.00
†Brit. Col.	4	1 Dec. 1957	86.00	89.00	4.82	86.00
*Brit. Col.	4½	15 Jan. 1951	89.00	92.00	5.29	90.00
†Brit. Col.	4½	1 Oct. 1953	89.00	92.00	5.22	89.00
†Brit. Col.	5	15 Jan. 1948	93.00	95.00	5.59	94.00
Brit. Col.	5	1 Sept. 1963	92.00	94.00	5.56	92.00
Brit. Col.	5½	1 Feb. 1945	94.00	95.50	6.19	94.00
Brit. Col.	6	15 Feb. 1947	96.00	97.50	6.30	95.50
Manitoba	4	2 Jan. 1950	85.00	88.00	5.25	85.00
†Manitoba	4	1 Dec. 1957	86.00	89.00	4.82	85.00
†Manitoba	4½	15 Dec. 1956	92.00	94.00	4.97	91.50
†Manitoba	5	15 June 1954	94.00	97.00	5.26	94.00
*Manitoba	5	2 Dec. 1959	98.00	100.00	5.00	98.00
Manitoba	5½	1 Oct. 1955	93.00	95.00	5.94	94.00
Manitoba	6	1 Apr. 1947	94.50	96.50	6.46	95.00
Sask.	4	15 Aug. 1953	74.00	77.00	6.21	75.00
Sask.	4	1 Nov. '55-60	73.00	75.00	6.27	74.00
*Sask.	4½	2 July 1945	83.00	85.00	6.75	83.00
†Sask.	4½	1 Oct. 1951	81.50	83.50	6.20	81.50
†Sask.	4½	15 Mar. 1960	79.00	82.00	5.92	79.00
Sask.	5	1 Aug. 1958	82.00	84.00	6.36	82.00
†Sask.	5½	15 Nov. 1946	86.00	89.00	6.99	87.00
Sask.	5½	1 Oct. 1952	85.00	87.00	6.85	86.00
Sask.	6	15 Mar. 1952	88.00	91.00	6.95	89.00

*Payable Can., N.Y. & £. ▲Calculated to call date giving lowest possible yield. †Payable Can. & N.Y. ▪Payable N.Y. ‡Exempt from Dominion income tax. ♦Callable on or after Sept. 15, 1966. §Traded flat.

Mining Stock Quotations

WEEK ENDED OCTOBER 26

Par Val.	Range 1936 High	Low	Company	Sales	Close Oct. 19 (or last)	High for week	Low for week	Close Oct. 26
1	.13½	.04	Afton	29,850	.07	.07½	.06½	.07
No	1.07	.88	Aldermac	41,870	1.02	1.05	.95	.98
1	.10	.01½	Alexandria	32,700	.03½	.04	.03½	.03½

Corporation Bonds

October 27, 1936

Public Utility Issues:	Int. Rate %	Due	Bid Oct. 27	Asked Oct. 27	Bid Oct. 20
*Ass. Tel. & Tel.	5½	'55	86	89	86
‡Avalon 'Phone	5½	'48	101½	104½	101½
Beauharnois P.	5	'73	50½	53½	47½
*Bell Telephone	5	'55	114	117	115
*Bell Telephone	5	'57	121	124	121
†B. C. Power	5	'60	104	107	104
†B. C. Power	5½	'60	105	108	105
B. C. Telephone	4½	'61	105½	108½	105½
*Calgary Power	5	'60	96	99	97½
Calgary Power	5	'64	...	...	93½
†Can. Nor. Pwr.	5	'53	103½	106½	103½
*Dom. Gas & E.	6½	'45	91	94	91
*Gatineau Pwr.	5	'56	100	103	100½
*Gat. Power, A	6	'41	98½	101½	98½
*Gat. Power, B	6	'41	97½	100½	97½
*Inter. Hydro-E.	6	'44	65	68	68½
*Inter Power	6½	'57	99	102	99
†Maclaren-Que. Power	5½	'61	87½	90½	88
†Maclaren-Que. Power	5½	'64	87	90	87
†Mtl. Island Pr.	5½	'57	105	108	105
†Mtl. L. H. & Pr.	3½	'56	102	105	102½
†Mtl. Tramways	5	'41	102	105	102
†Mtl. Tramways	5	'55	85½	88½	86
Nfld. L. & P.	4½	'56	100½	103½	100½
Nat. L. & Pwr.	6	'49	96	99	97½
†N. S. L. & Pr.	5	'58	105	108	105½
N. S. L. & Pr.	5	'65	102½	105½	102½
†Ottawa L.H.&P.	5	'57	105	108	104
†Ottawa Tract.	5½	'55	100	103	100½
†Ottawa V. Pwr.	5½	'70	78	81	77½
†Power Corp.	4½	'59	98½	101½	98
*Quebec Power	5	'68	103½	106½	103½
Saguenay Pwr.	4½	'66	104	107	104
†Shaw. W. & Pr.	4	'61	99	102	99
†Shaw. W. & Pr.	4½	'70	102½	105½	103½
†South. Can. Pr.	5	'55	103½	106½	103½
†United Secs.	5½	'52	82½	85½	83½
*Winnipeg Elec.	4½	'60	104	107	104
*Winnipeg E., A	4	'65	74	77	75½
*Winnipeg E., B	4	'65	63½	66½	64½
Industrial and Realty Issues:					
†Abitibi Pr. & P.	5	'53	67½	70½	67
Acadia Sugar	4½	'55	101	104	101½
†Alta. Pac. Gr.	6	'46	94	97	95
Asbestos Corp.	5	'42	108½	111½	108½
B. A. Oil	4	'45	103	106	104
Canada Bread	6½	'41	109	112	109
†Canada Cement	4½	'61	102½	105½	102
†Can. Steamship	6	'41	57	60	59½
Candn. Canners	4	'51	99	102	99½
Can. Bakeries	6½	'45	94	...	94
*Candn. Inter. P.	6	'49	96	99	96
C. P. R.	5¼	'51	96½	99½	96½
C. P. R.	4	'49	102½	105½	103
C. P. R.	4½	'44	102½	104½	101½
C. P. R.	4	Per	96½	97	96
†Candn. Vickers	6	'47	97	100	96½
†Consol. Paper	5½	'41	67½	70½	61½
Dom. Sq. Corp.	6	'48	60	...	...
‡Dom. Stl. & C.	6½	'55	71	74	72
†Dominion Tar	4½	'51	98	101	98
Dom. Textile	4½	'55	105½	108½	105½
†Donnacona P.	5½	'48	81	84	80½
†Eastern Dairies	6	'49	76	79	76
†Famous Players	4½	'51	98½	101½	98½
†Federal Grain	6	'49	98	101	98
†Gen. Steel W.	6	'52	103	106	103½
*Gt. Lakes Pap.	5	'55	79½	82½	77½
†Gypsum L. & A.	5½	'48	102	105	101½
†Gr. Br. & Can. Invest.	4½	'59	85	88	84½
Hamilton Cot.	5½	'48	103	106	103
*Ham. By-Prod. Coke	5	'50	101	104	101½
*Hinde & Dauch	5½	'48	103	106	103
†Inter. Paper	6	'55	94	97	94½
†Inter. P. & P. Nfld.	5	'68	102	105	102
Inter-City West. Bakeries	6½	'50	54	58	57½
†Kingston Elev.	6	'50	94½	97½	93
†Lake St. John P. & P.	6½	'47	118	121	117½
†Lake St. John P. & P.	6½	'42	96	99	93½
†Lond. Can. Inv.	4½	'48	93	96	94
†Maple L. Mill.	5½	'49	81	84	79
†Massey-Harris	5	'47	90	93	90
†McColl-Front.	6	'49	103½	106½	104½
†Mercury Mills	5½	'53	71	74	73
†Mersey Paper	6	'49	98	101	97½
*Minn. & Ont. P.	6	'45	51	54	50
Mtl. Dry Docks	6	'48	85½	88½	85
Nat. Grocers	4	'36-'47	101½	...	...
†N. A. Elevators	6	'50	97½	100½	97½
Nor. Ont. Bldg.	6½	'39	95½	...	95
*Prov. Paper	5½	'47	103	106	103
Queen's Hotel	6	'47	97½	100½	97
*Reliance Grain	6	'48	103	106	102½
†Restigouche Co.	6	'48	110½	113½	109½
Rich. Bay Bldg.	6½	'47	100½	...	100½
†Rolland Paper	4½	'51	101	104	101
Ruddy & Co.	6½	'48	97½	100½	97½
†Smith, Howard	5½	'53	104	106	103½
*Spruce F. P&P	5½	'42	101	104	101
†Steel of Can.	6	'40	113	116	113
Sterling Coal	6	'40	87	...	87
Stop & Shop	6	'47	62½	65½	62½
Twin City	5½	'52	90½	93½	89½
United Amuse.	5	'56	98½	101½	100
United Corp.	5	'53	96½	99½	96½
Unit. Grain Gr.	5	'48	96½	99½	96½
Unit. Grain Gr.	5½	'49	98	101	98
Union Gas	4½	'43-'50	99½	102½	99
Zimmerknit	6	'51	101½	...	101

‡Payable in Canada or U.K. †Payable in Can., U. S., or U.K. *Payable in Can. or U. S.

Unlisted Stocks

(Furnished by A. J. Pattison Jr. & Co., Toronto)

October 27, 1936

	Bid	Asked
Industrial Stocks:		
Acadia Sugar, com.	4.65	4.90
Do., pfd.	5.00	5.50
Acme Farmers Dairy, pfd.	43.00	
Andian National	49.00	
Assoc. Tel & Tel., pfd.	53.00	
B. C. Pulp & Paper, pfd.	14.00	
Burns & Co., A	8.00	
Do., B	5.00	
Canada & Dom. Sugar	69.00	....
Canada Starch, pfd.	95.00	....
Can. Tube, 1st pfd.	58.00	....
Do., 2nd pfd.	12.00	....
Can. Wire & Cable, pfd.	115.00	
Can. Airways	7.50	....
Can. Industries, A com.	250.00	....
Do., B com.	250.00	
Do., pfd.	165.00	
Can. Ingersoll Rand	128.00	
Can. Westinghouse	79.00	
Chase, A. W., pfd. bonus	26.00	....
Conduits Nat., new com.	2.85	
Dom. Found. & Steel, com.	63.00	
Do., pfd.	97.00	
Dominion Rubber, pfd.	100.00	....
Dunlop Tire, pfd.	85.50	
Eastern Dairies, pfd.	14.50	
Federal Grain, com.	2.00	
Do., pfd.	41.00	
Goderich Elevator	8.50	
Great Lakes Paper, pfd.	17.25	
Greening Wire, 7% pfd.	107.50	....
Guelph Carpet, pfd.	104.50	
Do., com.	19.50	
Hayes Steel Prod., com.	1.50	....
Highland Dairy, com.	3.50	
Do., pfd.	84.00	
Inter City Bak., com.	35.00	
Inter. Met. Indust., A pfd.	76.00	
McLaren Power & Paper, c.	18.00	
New Meth. Laund., pf. bonus	75.00	....
Provincial Paper, pfd.	106.50	
Reliance Grain, com.	6.75	
Do., pfd.	92.00	
Rob. Cons. Cone	9.00	
Ruddy, E. L., pfd.	37.50	
Silverwood's Dairies, pfd.	55.00	....
Standard Fuel, com.	9.00	
Do., pfd.	106.00	....
Supertest Petroleum, B pfd.	27.00	
Toronto Carpet, pfd.	41.00	....
United Steel, A pfd.	8.00	
Western Grain, pfd. bonus	....	
Willards Chocolates, pfd.	20.00	
Trust and Loan Stocks:		
Chartered Trust	84.00	86.50
Commercial Finance, com.	2.50	3.50
Guelph Ont. Inv., par $50	48.00	51.00
London & Western Trust	52.00	55.00
Premier Trust	....	....
Prudential Trust	3.25	....
Sterling Trust	30.00	35.00
Traders Fin. Inc. Rts.	10.50	....
Do., B pfd. bonus	86.00	....
Trusts & Guarantee	30.00	31.50
Waterloo Trusts	98.00	....
Insurance Stocks:		
British America	50.00	
Canada Life	521.00	530.00
Canadian Fire	76.00	....
Canadian Ins. Shares	10.00	12.50
Confed. Life, 20% pd.	113.00	115.00
Cont. Life, 20% pd.	38.00	44.00
Crown Life	165.00	....
Dominion Fire	125.00	....
Dominion Life, 50% pd.	270.00	300.00
Dom. of Can. Gen.	120.00	130.00
Empire Life, 25% pd.	7.00	8.50
Excelsior Life, 30% pd.	69.00	72.00
Federal Fire, 25% pd.	41.00	....
Fidelity Ins. of Can.	47.00	....
Great West Life	382.00	395.00
Guar. of N.A., fully pd.	300.00	325.00
Halifax Fire	23.75	24.75
Imperial Life	350.00	....
Manufacturers Life	....	250.00
Monarch Life, 10% pd.	21.00	22.00
National Life, 25% pd.	....	48.00
Sovereign Life, 25% pd.	....	19.00
Sun Life	550.00	560.00
Toronto General	5.00	6.00
Western Assurance, com.	44.00	48.00
Do., pfd.	41.00	44.00
Theatre Stocks:		
Allens Beach, pfd.	65.00	70.00
Do., Kingston, pfd.	62.00	....
Do., Parkdale, pfd.	70.00	....
Do., Toronto pfd. bonus c.	29.00	35.00
Eastern Theatres, pfd.	70.00	80.00
Loew's Buffalo, pfd.	3.25	4.00
Do., London, pfd.	2.25	2.75
Do., Toronto, pfd.	115.00	....
Mansfield Theatre, pfd.	30.00	32.50
Paramount Kitchener, pfd.	50.00	....
Do., Oshawa, pfd.	88.00	94.50
United Amusement, A	20.00	....
Do., B	17.00	....
Investment Trust Shares:		
Can. Gen. Invest.	9.90	10.25
Can. Int. Inv. Trust Units	74.50	....
Can. Investors Corp.	8.05	8.50
Cons. Div. Std. Sec. Units	16.25	17.00
Corporate Investors	....	7.75
Debenture & Sec., pfd.	70.00	....
Dom. Scott. Invest Units	40.00	42.00
Foreign Power Sec., pfd.	7.00	8.00
Invest. Foundation Units	59.00	60.50
Sec. Holding Units	24.50	26.00
United Corpns., A	28.50	29.50
Do., B	19.00	20.00
Power Issues:		
Calgary Power, pfd.	73.50	76.00
Can. West. Nat. Gas, pfd.	82.50	84.50
Do., com.	24.00	28.00
Inter. Util., $1.75 pfd.	10.00	11.00
Do., $7.00 pfd.	89.50	92.00
Montreal Island Pwr., pfd.	15.00	....
Nor. Ont. Power, pfd.	102.25	105.00
Nova Scotia L. & P., pfd.	106.00	107.00
Do., com.	91.00	....

Unlisted Mines

October 27, 1936

	Bid	Asked
Albany River	.62	.64
Algold	.44	.46
Ardeen	.16	.18
Area	.04	.05
Arrow Head	.33	.37
Algoma Summit	2.00	2.25
Athona	.29	.32
B.E.A.R.	.31	.34
Bankfield (old)	.92	.95
Bankfield (new)	1.38	1.42
Blue Star	..	.24
Bousquet Gold	.08½	.09
Brae Breest	.27	.30
Brengold	.20	.22
Bilmac	.20	.24
Canadian Flin Flon	.08	.10
Canadian Pandora	.15	.18
Candalaca	.18	.22
Coin Lake	.31	.33
Columario (new)	.02	.02½
Cuniptau	.29	.31
Casey Contact	.02¾	.03¼
Continental Kirk.	.18	.19
Casey Summit	.21	.25
Cres. Kirkland	.45	.48
De Santis	.66	.69
Dona Pat	.28	.30
Darwin	.42	.46
Don Martic	.21	.24
Dunlop (new)	.11½	.12½
Dorval Siscoe	.42	.44
Doreva	.45	.47
Dupont Hodgson	..	.20
Empress Cons.	.62	.64
Franklin	.02½	.03
Falkenham	..	.36
Frontier R. Lake	.15½	.16½
Galateas	.07¾	.08¾
Garnet	.06¾	.07½
Gateway Pat.	.13	.16
Gillies Lake	.66	.68
Gold Eagle	.80	.85
Goldside	.13½	.14½
Golden Gate	.41	.43
Gordon Lebel	.22	.26
Gilbec	.04	.04½
Horseshoe	.04¾	.05½
Hudson Patricia	.16½	.19
Hugh Pam.	.30	.33
Hutchison Lake	.17½	.18½
Jellicoe	.25	.28
Johnson Nipigon	.04½	.05½
Kaw Crow	.15	.18
Kenricia	.61	.63
Kerr Addison	..	.14
King Kirkland	.04½	.05
Lamaque	7.30	7.50
Lafayette	.04½	.05
Lapa Cadillac	.74	.77
Leitch Gold	.69	.72
Lake Rose	..	.43
McFarlane	.05	06
Manitoba Basin (new)	.04	.05
Margaret	.23	.28
Madsen Red L.	.81	.85
Magnet Lake	.11½	.13
Martin McNeely	.07	.09
Matachewan Con.	.16	.18
McAndrew	.23	.25
McCarthy Webb	.55	.58
Mosher	.52	.55
Murmac	.07	.10
Martin Bird	.28	.30
Moosh'a	.39	.41
Monarch Mines	.37	.40
McVittie Kirk.	.08	.09
Mid Kirk	.23	.30
North Shores	.04	.04½
Old Diamond	.26	.29
Oklend	.44	.47
O'Leary	.16	.17
Opemiska Cap.	.85	.95
Oriole	.04½	.05
Oremond	.25	.28
Ossian	.08	.09
Paulore	.23	.25
Porcupine Gold R.	.03	.04
Porcupine Lake	..	.38
Pascalis	.33	.35
Porquin	.18	.20
Pandora Cad.	.75	.80
Porc. Rouyn	.22	.24
Red Crest	..	.85
Richard Ramore	..	.16
Richmac	.36	.37
Roeanor	.20	.25
Regal Kirk.	.24	.26
Rubec	.14½	.15½
Salmo Malartic	.19	.21

Mining Dividends

	Rate	Close Oct. 26	Yield %
Anglo-Huronian	20c	5.70	..
Beattie Gold	†5c	1.35	..
Bralorne	30c+15c	8.90	..
Buff. Ankerite	20c	10.50	1.9
Bulolo Gold	‡1.40	28.00	5.3
Cariboo	10c	1.80	..
Central Patricia	†4c	3.70	..
Coniagas	†12½c	3.25	..
Cons. Smelters	50c	65.00	7.7*
Dome Mines	$2+$2	54.50	2.7
Falconbridge	30c	11.00	7.2*
Hollinger	65c+30c	13.25	..
Howey Gold	2c	.65½	..
Hudson Bay	50c	28.75	..
Island Mountain	†5c	1.29	..
Int. Coal & Coke	‡1c	.21	..
Inter. Mining	60c	11.00	5.4
Int. Nickel, c.	$1.40	59.75	2.3
Kerr Lake	5c	.60	..
Kirk. Lake	‡3c	.58	..
Lake Shore	$4	55.00	7.3
Little L. Lac	30c	6.55	..
Macassa	15c	4.70	..
McIntyre	$2	40.75	4.9
McKenzie R. Lake	†3c	1.68	..
McKinley Sec.	2½c	.63	..
McWatters Gold	†5c	1.15	..
Nipissing	50c	2.40	..
Nor. Can. Mining	2c	.43	..
Noranda	‡$1.25	67.50	1.8
Pickle Crow	15c	6.35	..
Premier	12c+4c	2.98	5.4*
Pioneer, B.C.	80c	7.10	11.3
Reno	12c	1.30	9.2
San Antonio	14c	2.35	..
Sheep Creek	8c	.89	8.9
Siscoe	20c	4.25	4.7
So. Amer. Gold	20c	5.05	..
Sylvanite	20c	3.02	6.7
Teck-Hughes	40c+5c	5.05	9*
Toburn	8c	3.30	2.4
Ventures	†2½c	2.46	..
Wright-Har.	40c+20c	7.75	7.7*
Ymir Yankee Girl	5c	.40½	..

‡Interim. †Initial. *Yield includes bonus.

Listed Bonds

Week Ended Oct. 26, 1936

	Int. rate	Due	High	Low	Range 1936 High	Low
Mtl. L. H. & P. Debs.	3	'39	50½	50¾	51½	50

Municipal Bonds

	Rate	Date	Bid	Ask.	Yld.
†Halifax	5	1961	112.00	114.00	4.10
Hamilton	5	1950	109.50	111.50	3.90
Montreal	5	1945	103.00	104.50	4.36
Ottawa	4½	1945	109.00	111.00	3.05
†Quebec	5	1959	106.50	108.00	4.44
Saint John	5	1950	107.00	108.50	4.21
†Toronto	4½	1955	111.00	113.00	3.54
†Vancouver	5	1950	85.00	90.00	6.10
Winnipeg	5	1944	95.00	99.00	5.15

†Payable Can. and N.Y.

UNLISTED MINES (Continued)

	Bid	Asked
Sand River	.27	.30
Schreiber	.16	.17
Skookum	.29	.32
Smelter Gold	.06½	.08
South Keora	.16	.17
Spooner	..	.23
Springer	.10½	.12
Sturgeon R. Gold	.27	.30
Tonawanda	.14	.15
Upper Can.	.23	.24
Wendigo	..	.21
West-Side	.07	.07½
W. Red Lake	.08	.09
White Horse	.16	.18
Winoga	.32	.33
Young Davidson	.18½	.20
Young Shannon	.18	.21

Bank Chat

A Welcome Change

SEPTEMBER was one of the most refreshing months bankers have had in some time, despite adverse developments in Alberta.

Not for several years have current loans in the Dominion jumped $30 millions in a month. The trend has been the other way, with 1936 proving a particularly bad period for commercial lending business. The larger loan changes reflected in the banks' composite monthly statement to Ottawa have been confined almost entirely to registering declines.

Normally, a material increase is looked for in September, as businessmen settle down for a hard season's work and seasonal factors increase grain loans. This year's increase, however, was practically 3 times that in September, 1935. In part it may be attributed to the rebound from an exceptionally dull summer. In one month, June, commercial loans shrunk by $42 millions.

* * *

Earnings Prospects

ONE raindrop does not make a river. The trend of banking operations over the current fiscal year has been far from gratifying from a shareholder's viewpoint. The year of the Imperial Bank, first to present its earnings statement, ends this week. Until that statement appears—generally late in November—no absolutely accurate indication of earnings can be had.

Despite the increase in loans last month, commercial advances are more than $150 millions under last year's figures and it seems most unlikely that gross will equal that of 1935. Security holdings are up about $175 millions, and call loans have shown material increase, but it should be kept in mind that the yield on securities, indeed on almost all types of loans, is less than last year. A further and most important factor, of course, is the decrease in interest rates paid on deposits.

DO you realize that you may obtain a $1,000 20-Pay Life policy for less than 10c a day if you are under 40 years of age, and larger amounts at proportionate rates? (Over age 40 the amount is slightly increased.) You can also have other plans which may be more suitable and which require correspondingly small deposits.

Think of the five and ten cent pieces you spent last week—can you remember where they went? Of course you can't! Yet these same small amounts placed in Mutual Life of Canada policies will grow through the years to substantial sums.

Money earns money for you in The Mutual Life of Canada. The Company is owned by the policyholders. You share in all the profits when you own a Mutual Life policy. The Company has distributed surplus earnings of $66,000,000 in dividends, has paid over $200,000,000 to beneficiaries and today has assets of over $156,000,000.

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Age

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Toronto Star Building ELgin 8372

Banks' Current Loans Advance $30 Millions

Feature of Canadian banking operations in September was a substantial increase in loans reflecting in part normal seasonal tendencies. Reversing the trend of recent months, current loans, utilized largely for commercial purposes, advanced more than $30 millions, according to a preliminary summary of the composite statement of the 10 chartered banks. Call loans, reflecting activity on security markets, rose $14 millions.

Savings deposits were slightly lower than in the preceding month, but demand balances were up $21 millions.

Comparative change in more important items are summarized as follows:

	Sept. 30, 1936 $	Aug. 31, 1936 $	Sept. 30, 1935 $
Reserve fund	132,750,000	132,750,000	132,750,000
Note circulation	116,282,712	123,527,133	131,747,122
Demand deposits	647,739,862	626,323,498	590,014,931
Notice deposits	1,500,864,504	1,502,821,895	1,444,330,569
Deposits outside Canada	405,640,225	427,473,150	370,406,548
Bank of Canada notes	47,038,217	38,614,874	33,284,543
Deposits with Bank of Canada	173,845,599	180,742,659	183,829,311
Government and other securities	1,377,949,603	1,355,161,441	1,103,208,994
Call loans in Canada	104,965,842	90,527,543	75,623,381
Call loans outside Canada	60,314,783	58,531,481	60,006,034
Current loans in Canada	687,836,073	657,362,195	839,277,861
Current loans outside Canada	156,028,254	155,368,454	147,022,941
Total liabilities	3,189,950,119	3,128,413,092	3,022,991,575
Total assets	3,204,853,636	3,140,638,691	3,036,115,909

On balance, it would appear that while gross earnings will be substantially lower, savings in expenditure items will bring the net figure much nearer 1935 totals than many observers are inclined to believe.

* * *

American Loans

HIGHER commercial borrowing is not confined to Canada. In the United States commercial loans have shown greater advance, relatively speaking, than in any year since 1929.

Many American bankers believe payment of soldiers' bonuses this summer has been a major factor. Their argument apparently is that as the volume of consumers' goods purchased by bonus money increased, there was a tendency to increase inventories and to borrow on the basis of the current expansion.

Another factor which should be given due weight in developments across the line is installment financing. Many hold the view that commercial loan expansion is attributable in considerable degree to extension of installment payments over 2 or 3 years, with merchants discounting on the banks to cover.

Apart from these factors altogether, Canadians who have visited the States recently have been very much impressed with the improvement in general industrial activity.

* * *

Call for Copper

KING for a day in Windsor, N.S., was the lowly "copper." Scarcity of the least valuable of Canadian coins found half the storekeepers in town telephoning the banks for an additional supply. It is reported that the manager of one chain store even offered to pay for a telephone message to another centre if the bank would order a shipment by train.

Several times a year a temporary lack of coppers is reported over the press wires. They represent a tribute to the little-appreciated one cent piece. Shortage of other coins is a serious, but not acute, problem. It may be overcome, until a further stock is available, by using more coins of a smaller denomination.

The popular practice of retailers in setting odd cent prices acts as a boomerang at times. Designed primarily to encourage sales, it may have the opposite effect by leading to a shortage in the medium by which such sales are effected.

Royal Bank of Canada Withdraws from Venezuela

From Our Own Correspondent

MONTREAL. — Royal Bank of Canada announces that as a result of Venezuela's new banking law, it has discontinued deposits and loans as from Oct. 24 last, and will close its Barquisimeto and Valencia branches entirely.

The new law requires 95% of deposits to be invested in the country. Reports from Venezuela state the legislation is causing considerable dissatisfaction among business houses.

Insurance Inklings

H. W. MANNING, assistant general manager of Great-West Life, has been appointed secretary of the agency committee of American Life Convention.

RAY H. FINGER, manager Pittsburgh branch of Sun Life of Canada, has been named manager at Seattle to succeed R. A. JENNINGS. Mr. Jennings will take charge of the company's Oregon branch. As reported last week in this column, W. W. BARRY will succeed Mr. Finger as manager at Pittsburgh.

Weekly Bank Clearings

	Oct. 22 1936 $	Change yr. ago %	Oct. 15 1936 $
Halifax	2,576,556	+ 33.5	1,990,960
Saint John	1,903,123	+ 39.7	1,497,996
Moncton	882,753	+ 27.0	626,216
Sherbrooke	622,030	+ 29.3	507,824
Quebec	4,214,883	+ 16.0	3,730,050
Montreal	111,301,651	+ 56.3	130,214,990
Ottawa	38,353,593	+129.3	14,697,786
Kingston	625,841	+ 31.0	511,923
Peterborough	659,158	+ 32.8	564,324
Toronto	121,780,711	+ 37.5	98,493,920
Hamilton	5,286,270	+ 46.6	3,872,756
Kitchener	1,139,198	+ 35.2	837,422
Brantford	1,057,418	+ 52.7	800,232
London	3,187,999	+ 40.9	2,163,275
Chatham	527,115	+ 38.5	428,816
Windsor	2,903,883	+ 51.3	2,099,713
Sarnia	520,873	+ 40.5	334,584
Sudbury	893,115	+ 48.1	868,705
Fort William	807,759	+ 34.9	556,913
Winnipeg	75,345,621	+ 35.9	65,259,699
Brandon	431,521	+ 51.7	316,358
Regina	6,674,580	+ 13.7	5,153,256
Moose Jaw	964,072	+ 30.9	741,507
Saskatoon	2,045,469	+ 8.3	1,767,009
Prince Albert	502,377	+ 37.8	369,746
Edmonton	4,961,963	+ 44.9	3,767,750
Calgary	7,907,781	— 1.1	5,668,230
Medicine Hat	290,923	— 2.0	231,926
Lethbridge	550,529	+ 11.3	489,520
N. W'minster	646,790	+ 47.8	563,577
Vancouver	20,229,742	+ 42.3	15,392,205
Victoria	1,904,101	+ 55.7	1,523,287

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Bank of Canada Weekly Statement

Changes in individual items in the statement of the Bank of Canada for the week ended Oct. 21 were mostly small and of relatively little importance. Of greater interest is the grouping of reserve holdings. Whereas the balances held in Great Britain and the United States were formerly shown separately, a composite figure makes its first appearance in last week's statement.

Balance Sheet

	Oct. 21 $	Oct. 14 $
Liabilities		
Capital paid-up	10,100,000	10,100,000
Notes in circ.	130,526,423	130,896,509
Rest fund	173,092	173,092
Dep.: Dominion	15,880,908	15,929,029
Banks	177,414,314	175,965,578
Other	245,954	226,541
Total deposits	193,541,176	192,121,148
All other liabs.	3,260,976	2,582,698
Total liabs.	337,601,667	335,875,447
Assets		
Reserve: Gold	179,460,384	179,439,582
Silver bullion	1,907,208	1,876,723
Res. in sterling	5,326,881 (sterling and U. S. combined)	324,234
Res. in U. S.		3,520,094
Total reserve	186,694,473	185,160,633
Subsidiary coin	256,697	226,754
Advances*	3,000,000	3,000,000
Investments:		
Dom govt. short	52,273,390	50,877,134
Other Dom. govt.	92,724,163	93,368,573
Total invest.	144,997,553	144,245,707
Premises	272,258	272,235
All other assets	2,380,685	2,970,117
Total assets	337,601,667	335,875,447
Reserve ratio	57.61%	57.32%

N. B. Cities Feel Burden Of Aid Cost

Saint John and Moncton Want Provincial Help Again

BANKER WARNS

From Our Own Correspondent

SAINT JOHN.—New Brunswick's 2 largest cities, Saint John and Moncton, have joined forces in an effort to persuade Premier Dysart to reconsider his "no-more-relief" stand. Since Aug. 31, municipalities of this province have had no government assistance for direct relief, although federal grants-in-aid are being given the provincial government on the same basis as formerly, when province and Dominion stood 75% of the relief burden.

Costing City More

In spite of an extensive government works programme Saint John has had to continue providing direct relief for 3,500 persons, Moncton for 1,100. Saint John's relief bill in July was about $30,000 and in September, with government works in full swing, approximately $20,000. In July, Saint John's proportion of the $30,000 relief expenditure was $7,500; in September this municipality had to pay the whole bill.

"You cannot keep on spending," was the warning sounded by H. L. Enman, eastern supervisor of the Bank of Nova Scotia, at a meeting of the municipal council of the city and county of Saint John.

He pointed out that the municipality's bank overdraft exceeded its last year's tax collections of $400,000. It is understood he privately gave the council an edict that $10,000 a month was the limit it could spend through the winter on relief.

Must Have Help

"We do not see how we can possibly bear the whole burden," Mayor King of Moncton told The Financial Post. "We must have government assistance." Moncton's financial position has been gradually improving for the last 2 years. Mayor King foresaw reversal of this trend if Premier Dysart does not change his attitude.

Other New Brunswick municipalities where the unemployment problem is serious are also suffering from the government's action, although prospects of a heavy lumber cut make the picture somewhat brighter in the northern parts of the province than it was until recently.

N. B. Compensation Operation Curtailed

From Our Own Correspondent

SAINT JOHN.—The New Brunswick Workmen's Compensation Board has announced it will no longer assess industries employing only small staffs, and that workers in such industries will not be protected in future.

It was found the accident ratio in small woods operations, mine enterprises and factories was higher than in large ones. By exempting operations and plants that employ no more than a stipulated number of men (the number varies for the different activities) the Compensation Board hopes to improve a financial position that has been shaky.

New Licenses

Ukranian Mutual Benefit Association of Saint Nicholas of Canada has been registered at Ottawa for the transaction in Canada of life disability and sickness insurance.

T. Stefanik of Winnipeg has been named chief agent in Canada for the organization.

Banks Issue Instructions To Push Loans

Doubt "Selling" Ability of Bankers on Modernization Loans

PROFITLESS LENDING

Canadian banks this week forwarded instructions to branch managers to "push" home modernization loans.

Just what effect this will have on the actual volume of loans made under the agreement between the banks and the government whereby cheap money is available to home owners for renovation purposes, is difficult to determine. The considered view of many bank officials is considerably more conservative than public announcements would indicate. Some are known to regard the arrangement much as a philanthropic experiment.

From the viewpoint of the individual branch manager, modernization loans may represent a definite hazard. With a reputation for sound judgment in making loans either to maintain or attain, it appears unlikely that he will be any too free in making unsecured advances. It is also understood that observance of ordinary banking precautions was urged on the banks by the government at the time the agreement was under consideration.

Responsibility Varies

At least one of the banks is hesitant of passing the responsibility on to the branch managers. In this case, applications will be taken by the branch and submitted to head office for approval. Other banks will observe customary practice, with managers assigned a definite limit—perhaps somewhat lower than in ordinary loans—above which applications cannot be passed. If Canadian experience parallels that of the United States, it is likely that most of the loans will be dealt with directly by the branches. In the United States the average loan under the modernization agreement has been only about $360.

Most surprising feature of the plan thus far has been the reduction in the discount rate from 5% to 3¼%. One explanation which has been suggested is that as first proposed, the effective interest rate would have been 10%. The lower figure brings the rate within the 7% limit laid down by the Bank Act.

Rate Jockeying

A more logical explanation would seem to be pressure exerted by the Federal Government. The Financial Post is informed that a 5% discount rate was first proposed by the banks. Government officials were of the opinion that this was not sufficiently attractive; that relatively few people could be induced to undertake home renovation if money cost them 10%. Hence, a counter proposal was made which would have given a discount rate of 3¼% plus a flat 1% service charge. This was acceptable to the banks. When considering the question for final approval, however, the Cabinet is reported to have lopped off the allowance for service charges. Bankers state emphatically that the lower return will in no way diminish their efforts to make the loans. The opinion is expressed that as much will be loaned at the new rate as would have been at the 5% figure.

No Profit

Bankers are in agreement that the loans will show no profit. "We will be happy if we come through without a loss," one stated to The Post. It is pointed out that there will be an exceptionally heavy outlay for clerical and investigation expense in relation to the size of the loans. Thus, overhead costs will be a major problem. Some have expressed the opinion that if the banks were not overstaffed and loaded with funds, stubborn opposition to the low interest rate might have been made.

Most bankers are convinced that the government has drafted its programme well. Some non-bankers are not as certain. With the purpose back of the plan, they have no quarrel. They believe, however, that measures taken to achieve that purpose might have been improved upon.

What of Existing Agencies?

It is contended, for instance, that the plan as it now stands will force existing financing agencies out of the picture. Finance companies and finance departments of manufacturing concerns, which have until now financed installment purchasing of products affected by the modernization scheme, cannot hope to successfully pit their 7% rate against 3¼% charged by the banks, many believe. The funds which they secure from the banks cost between 5 and 6%, which means that a profit on lending at an effective rate of 6.32% is out of the question.

The most important, immediate consideration in doing away with these agencies is whether or not the scope of the programme is being narrowed. It is obviously the objective of the government to see that as many loans as can safely be made are granted. Success of the project, it is claimed, lies chiefly in selling, not the financing arrangements, but the realization that repairs are essential and that now is the time to have them made. Bankers are admittedly poor salesmen. It is directly opposed to their training. Moreover, in making modernization loans they will be exploring new territory. On the other hand, those agencies now in the field have a wealth of experience to call upon, and, in the cases of manufacturers' agencies have built up their business as an adjunct to the sales department.

Long Range View

From the longer view, the question of what arrangements will be made to carry on installment financing of the products affected after the banks have retired from the field is considered important. Most bankers regard the plan as a temporary expedient. If present financing sources are disturbed, it may mean that they will have to start from scratch again sometime in the future.

For these agencies to be included in the act, some adjustment in interest would have to be made. Their current charge is a discount of approximately 7%, more than double the cost of funds from the banks. Some have indicated willingness to co-operate at a 5% discount rate. Others state that it is impossible to do business at less than the rate they now charge.

In view of the reported declaration of the government that no change will be made in interest rate, it would appear that other arrangements would have to be made if these companies are to participate in the modernization scheme. One suggestion is that the rate charged on money loaned by the banks to these agencies should be reduced.

Life Figures For Provinces

Ottawa to Collect Provincial Data for 1936 Blue Book

Details of life insurance in the various provinces of Canada will be available in the federal insurance blue book for 1936, The Financial Post learns.

Previously the Federal Government has collected no details of life insurance sold and in force in each province although from time to time certain figures as to mortgage investments of the life companies in each province have been published. The only regular figures available on a comparative basis have been the monthly returns of the Sales Research Bureau of Hartford covering sales of new ordinary life business.

Various provincial insurance jurisdictions have published figures for business transacted in their own provinces but these are incomplete and are not necessarily on a comparable basis. In addition there has been an annual compilation made at Ottawa as to total new business written and in force in Canada (inclusive of provincially licensed companies) but no individual figures for each province.

For 1936 the federal department is hoping to collect detailed figures for provincial business which will undoubtedly prove of wide interest as indicating conditions and growth year by year in each area.

Life Underwriters Sponsor Broadcast

Life insurance in Canada went "on the air" last week with inauguration of a 13-week programme sponsored by Life Underwriters Association of Canada.

The broadcasts are twice weekly and feature Grattan O'Leary of the Ottawa Journal in a 15-minute current events discussion.

The broadcast is being carried by 22 stations from coast to coast. One broadcast from each station is on Sunday and the other Thursday with the exception of Sydney and Montreal which carry the week-day broadcast on Wednesday.

Policyholders Worrying Over Seizure Rumor

Fear Aberhart May Grab Cash Surrender Values

IS THERE WAY OUT?

From Our Own Correspondent

CALGARY. — Holders of large insurance policies are frankly worried over the implications and rumors of the Social Credit government as to the possible seizure of cash surrender values.

This implication of seizure arises from rumors that the Social Credit party have been on the verge of passing capital levy legislation at least once. Such legislation, it is believed, would include the cash surrender values of life insurance policies.

Legal advice has been sought, and one prominent legal firm has stated that, so long as the insurance policy is under seal, stamped with the company's official seal, the document thus becomes a specialty debt, and, if removed from the province of Alberta, cannot be touched.

The locus of the document is the governing factor, and the liability to seizure is said to be thus removed. The beneficiary can live in Alberta, but (if this view is correct) as long as the document is not in that province, it is not subject to tax.

Court Rulings

The courts of Manitoba recently gave a ruling in this regard, although it was not in connection with insurance policies, but dealt rather with documents under seal.

Following a test case in Saskatchewan a year or so ago it is believed the bulk of insurance policies in force in Canada today are documents under seal. The Saskatchewan case uncovered a distinction between policies under seal and those not so marked which discriminated against the latter group.

Several Exceptions

One company, Great-West Life, is said to have formerly issued all its policies under seal, but about 5 years ago discontinued the practice. Policyholders are given the option, however, of having the policy put under seal if they so desire.

Another company, Canada Life, is understood to have formerly issued its policies without a company seal, but has since changed its procedure, as far as Canadian policies are concerned. In addition this company also will put its policyholders' documents under seal at any time if insurers so desire.

As far as can be ascertained, no policies of U. S. companies operating in Canada are issued under seal. This includes Metropolitan, Aetna, Travelers, New York Life and Prudential of America which hold the bulk of U. S. business in Canada.

Meaning of "Seal"

Just how many policies are not under seal is difficult to determine, but it is reported that literally hundreds of policies have been despatched back to local or head offices to have this legal nicety attended to. Assuming a policyholder finds his policy to be not under seal he would doubtless have the privilege of returning his contract to the head office or local office of the company and having it properly sealed.

Once the policy is sealed it becomes a matter of individual preference as to whether the policyholder wishes to deposit his contract outside the province to make sure that his cash surrender values are not liable to seizure by any act of the Alberta Social Credit government.

But company officials questioned by The Financial Post are still undecided as to the exact position of a policyholder who places his policy under seal and ships the document out of the province to avoid seizure. They question the view expressed in Alberta that a policy under seal is a privileged document and that it could be successfully diverted from the province to prevent seizure. They prefer not to commit themselves finally on the point until the matter has been further explored from a legal viewpoint.

One company reports there have been plenty of requests but that in each case policyholders are warned to act on their own responsibility rather than take the insurance company's word for it.

Succession Duty Angle

One further complication is the question of liability for double succession duties of a policy removed from the province; in other words, whether in the event of the policyholder's death the province in which the policy is located could legally bring a succession duty claim against the owner.

Here again the legal view is not clear-cut but inclines to the opinion that double duties are not collectible.

One possibility also being canvassed in some quarters is that of taking a nominal loan of, say, $1 on the policy and leaving the policy on deposit with the company. This deposit option is given now to most policyholders who borrow money on their contracts, in lieu of having their policy endorsed in favor of the company and returned to them.

Insurance Problems

Insurance questions of general interest submitted by subscribers of **The Financial Post** will be answered in this column. Other enquiries will be answered by mail. A three-cent stamp should be enclosed to cover a direct reply.

Wawanesa Mutual

I would appreciate if you would inform me if Wawanesa Mutual Fire Insurance Co. is safe to insure with.

Originally a western farm mutual, the Wawanesa Mutual Insurance Company has for some years operated throughout the Dominion and is now Canada's largest mutual fire insurance company. It is registered by the Federal Insurance Department of Ottawa and maintains an adequate deposit for the protection of policy holders.

Premiums written by the company in 1935 amounted to $1,269,117, an increase of more than $200,000 over the previous year, while losses incurred dropped from $524,835 in 1934 to $483,100. Total assets at the year end were $1,532,995 and surplus $730,856. In respect to eastern business, that in provinces east of Manitoba, the current year has shown an increase of 35% over the corresponding period of 1935. Losses have dropped 1%.

We understand that anonymous letters have been circulated throughout the Maritime Provinces seeking to discredit the company, suggesting that in the event of a financial setback, policy holders would be liable for their share of the losses. Under the Wawanesa's charter it is specified, however, that no policyholder can be held liable for anything over the amount of the premium. The company enjoys a sound reputation, and is generally well regarded.

Phoenix of Hartford Makes Staff Changes

S. W. Ashley, formerly in charge of the Northern and Eastern Ontario field, has been appointed senior inspector for Ontario by the Phoenix Insurance Co. of Hartford. Other appointments announced by the company are those of W. F. Pickett to be superintendent of the inland marine department at Montreal and James Drummond to be agency superintendent at Montreal.

General Accident Company Appoints Joint Managers

G. J. Malcolm and D. B. Hall have been appointed joint managers of the General Accident Assurance Co. of Canada, the appointment effective Nov. 1. Mr. Malcolm has been secretary of the company for the last 16 years, while since 1931 Mr. Hall has been manager of the branch in Winnipeg, with control over the 3 western provinces.

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In The Construction World

Building Expansion Should Continue

BUILDING construction should continue on the upgrade for at least another year, T. H. Holden, statistician with F. W. Dodge Corp., told the annual convention of United States residential appraisers in New York recently. Mr. Holden pointed out that higher rents and costs of building materials have all moved up more or less together with actual construction and as the sympathetic factors are continuing then it is natural to suppose that building will continue.

He pointed out that construction during the depression fell steadily behind the minimum average and it would take some time for this deferred building to be made up. Incidentally this condition also seems to prevail in Canada. In this country too, conditions in the construction field closely parallel those across the line. Summing up the present situation Mr. Holden stated:

"There does not appear at this moment any important reason for believing that this revival will not continue through next year and even beyond. Building costs, material prices and residential rents are now moving in the same upward direction. Except for a period of about a year and a half during the lowest phase of the depression, they have moved in the same direction as the construction contract curve ever since 1929. Building costs and material prices reached bottom in the summer of 1932, construction volume in mid-summer 1933, residential rents in the early part of 1934. Since these factors are all very closely related, it is natural that they should generally move in the same direction, except during an extended period of economic readjustment."

* * *

Factory Construction Is Getting Under Way

THIS summer has witnessed steadily increasing activity in factory construction in Canada. As yet it is largely confined to extension and renovation jobs but the volume of new construction is also on the upgrade. With increasing confidence in the general business outlook, contractors look for still greater expansion next year.

In the older industrial sections, it is stated with assurance that new modern quarters might easily cut the cost of production from 15 to 25%.

There are still hundreds of multiple storied factories in Canada turning out a heavy product which might profitably adopt the single floor plant. There are literally thousands where windows, ventilation and artificial lighting are so inadequate that the efficiency of the employees is cut down from 5 to 10%.

* * *

Way Is Cleared For Office Buildings

AND the construction stage, too, it is declared is getting all ready for expansion in commercial office building. So long as a high rate of vacancy prevailed contractors had little hope of getting these big jobs but the last summer has seen a steady decline in the amount of empty space.

In Montreal, where several large skyscrapers were erected at the tail-end of the last wave of prosperity, admittedly the situation is not as hopeful as in such centres as Toronto or Winnipeg. Montreal has still a considerable amount of available space and until more is taken up there will be less tendency to add to the list. But in the other 2 cities there has been little recent building and with increasing business recovery offices are becoming crowded. Once vacancy drops to around 10% or slightly better than normal, then, builders argue, the way is clear for new construction.

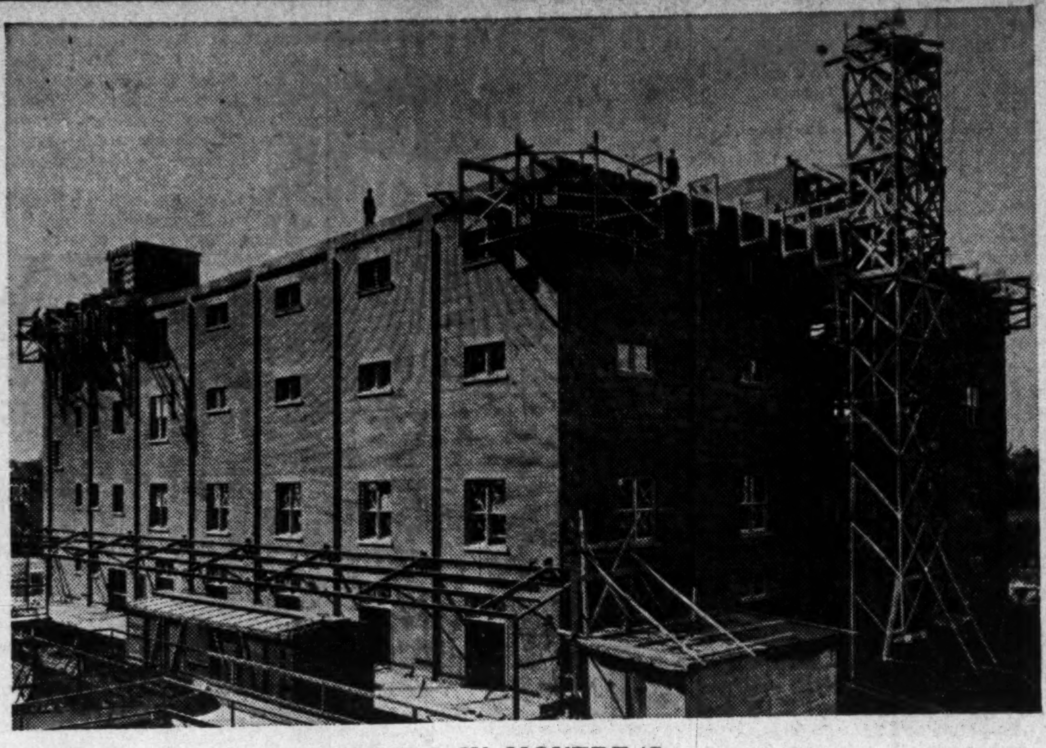
One new even modest-sized skyscraper erected under such conditions would be the signal for a revival. Air-conditioning or at least air cooling in summer, faster and completely automatic elevators, impressive and artistic metal doorways and store fronts, modern and more comfortable lighting, all would combine to prove an irresistible attraction to prospective tenants. Landlords of 10-year-old buildings would be forced to compete and modernization of their own buildings would almost automatically follow. Owners of still older structures would have to consider plans for completely new buildings.

* * *

Larger Windows Open on Gardens

UNUSUALLY large windows are a feature of many of the house designs in the recent architectural competition sponsored by the T. Eaton Co. and now on special display at the company's College Street store. The same point was emphasized in most of the winning designs in the Dominion Housing Act competition. Householders with practical experience with Canadian winters may have some misgivings about fuel consumption, but architects maintain these new large windows, particularly on the first floor, may be easily double sashed. In a short while, too, it is expected the new double glass, with a hermetically sealed air space in the pane itself, will have successfully survived long range tests and be available to the public.

In these new designs the architects have attempted to bring the garden practically into the living and dining rooms without the variable temperatures which go with that garden in the early spring and late fall. During these periods of the year there is usually abundance of bloom but the air is too chilly to permit any lengthy enjoyment. Now with the wall facing the garden made up almost entirely of glass, shrubs, grass and flowers are brought right into the vision of the home occupants. The interior effect, as cleverly depicted by the models in the Eaton exhibit, is both novel and pleasing.



CHASE AND SANBORN BUILDS IN MONTREAL

Though only started in July the coffee roasting plant of Chase & Sanborn Ltd. is almost ready for occupancy. The building is of reinforced concrete faced with brick. Concrete in this job, and also in that of the new Imperial Tobacco plant also nearing completion in Montreal, was placed under the electrical vibratory system whereby much of the moisture in the mixture is brought to the surface where it evaporates. Such a process is said to add up to 80% more strength. This building is being erected by Anglin-Norcross Corp.

See Moderate Success For Home Loan Policy

Govt. Expects to Stimulate $50 Millions in Improvements

By GORDON L. SMITH

OTTAWA.—Government officials appear to be quietly hopeful regarding the future of the new home modernization loans.

They do not expect the home owners of Canada to go on any spending spree to the extent of hundreds of millions. But neither do they expect the plan to be a failure.

Moreover, contrary to some of the opinions heard in the business world, it is maintained here that the scheme is a sound one and not hastily concocted. Therefore, it is argued, while there may be some revisions, these will only be of a minor nature. The main policy of low cost loans with a rate of interest around 6%, it is stated, will not be changed.

Low Interest Rate

Though the old rate for financing automobiles, refrigerators and other capital purchases often ran over 20% and only fairly recently has been shaved down to about 15%, the Department of Finance apparently has concluded that modernization loans can be safely financed for 6.32%. Such a rate, they admit, will not make the business attractive to the regular finance companies, but companies of this kind do not appear to be popular on Parliament Hill.

The banks, however, will be expected to enter the scheme wholeheartedly and also some of the trust and loan companies which are organized to handle such business. Indeed not only are these institutions expected to push the loan idea to the extent of probably $50 millions in the course of the next year, but it is hoped by Ottawa that they will back this push with some paid advertising.

Expect Co-operation

In any case contractors and manufacturers of building materials and permanent house equipment are certainly expected to stand behind the effort to increase home modernization and incidentally boost employment.

"These people will get most of the benefit, why shouldn't they back it with a publicity campaign," it is argued.

The government appears to be prepared to send out field men directed by the sponsor of the plan, Arthur B. Purvis, chairman of the National Employment Committee.

There may be also some radio broadcasting, but the real campaign is expected to be organized, operated and backed largely by the builders and the manufacturers.

That it will be, at least in the initial stages, seems fairly certain. Members of the Canadian Construction Association are understood to be lining up definitely in favor. Some of the big building material companies such as Johns-Manville, have already come out emphatically for it. Ways and means for tying the 3 interested parties together—the banker, the borrower and the contractor—are being worked out by the various companies which supply materials going into modernization construction.

The National Employment Commission sees quick relief among unemployed with some knowledge of the various trades associated with building. The more enterprising men, it is expected, will make their own surveys of possible work, offer estimates and get the home owners in question to secure the necessary loans. There is some prospect, too, of a new type of contractor, one who would be equipped to handle all sorts of moderate alterations or repair jobs.

To the statement that the bankers will make poor salesmen, it is intimated that any pressure in this direction will be left to the contractors and the interests behind them.

Up to Contractors

Contractors apparently will have to sell the idea to the home owner and then lead the latter to the bank.

There is no possibility of the rate of interest on the loans being revised upward, The Financial Post understands. Such, it is believed, would be suicidal from the political standpoint. It is pointed out that the banks have large accumulations of idle money and if this can be put to work even at a gross rate of 6.32%, then that would be better than nothing. Bank expenses in making the loans are admitted, but provided the idea is pushed by the contractors and the building materials companies, then it is argued the lenders should be able to show some profit.

Sponsors of the scheme do not appear to worry over the possibility of the banks, with returning prosperity, finding more profitable outlets for their funds. Most of these sponsors look upon the whole scheme as one of a temporary nature only. As yet there is no definite time limit as has been the case with similar Federal Housing Act loans in the United States. But the Canadian plan is not expected to carry on through really prosperous days.

May Extend Scheme

Regarding extension of the loan scheme the belief here is that the most likely field would be that of farm buildings. Farm homes, of course, are already included in the general plan, but so far no loans are available for improvement of barns or stables. There would be, it is admitted, a fairly large outlet in this direction. Barns, just as houses, require shingling, they often would benefit with new siding of metal or lumber. And there is, of course, a large amount of permanent equipment used in stables.

The government, it is believed, subscribes to the popular theory that the barn and the farm home are more or less tied together and are not to be regarded as commercial ventures. On the other hand, there is less likelihood, The Financial Post now understands, of apartment houses or retail stores or factories coming into the scheme. Such properties were eligible for improvement loans under the United States plans.

Loan Plan Worth $200 Millions?

A prediction that the recently announced government home modernization plan would produce at least $200 millions in home improvement and repair work is made by Earle C. Brockett, vice-president of the Canadian Johns-Manville Co.

While the government plan limits the total loans to be made by the banks for modernization purposes to $50 millions, Mr. Brockett points out that the experience of the National Housing Act in the United States indicated that for every dollar financed by lending institutions, 3 or 4 dollars additional in cash has been spent by home owners becoming more "modernization-conscious" through such a campaign.

Home Loans Drive Is On At Windsor

Contractors Hope to Sell $600,000 of New Work

From Our Own Correspondent

WINDSOR.—Machinery designed to derive maximum benefits from the Federal Government's home modernization plan has been set up here under direction of the best brains in business and industry. Windsor, which was selected as the first city in the Dominion in which to launch the plan, proposes to make its 18,000 home owners modernization conscious. Objective is $600,000 spent on new work.

While public reception of the new plan is considered favorable, the committee in charge has from the beginning proceeded on the assumption that the plan must be sold to home owners, anxious as they may be to improve their properties. From public subscriptions, a fund of $5,000 has been raised for advertising and it is intended to replenish this as neccessary.

Report First Loans

Though the modernization campaign is hardly under way, to date several loans have been made and numerous applications are on file at the banks. Experience so far has been that a loan can be negotiated with a minimum of delay, provided the applicant supplies the bank with the information it requires with respect to his financial status.

Success or failure of the plan, the committee is convinced, rests in a large degree on the ease with which an owner can secure a loan. It believes that some medium for negotiation of loans must be established between home owners and bankers, and building contractors have been selected to perform this work.

Contractors are to be the salesmen of the plan. They are being asked not only to go out and contact prospective applicants, but also perform virtually all the work involved in connection with negotiation of a loan.

This is not a new idea. It has worked with remarkable success across the river in Detroit where a similar scheme has been in operation for more than 2 years. The lending institution in that city which has put out the largest number of loans has worked entirely through the contractor. The money is even paid direct to the contractor.

Banks' Position

Considerable investigation work is involved and the committee is of the belief the contractors should be ready to conduct these investigations, possibly through a credit bureau. It holds that since the banks are lending money at the low discount rate of 3¼%, they cannot be expected to spend much money on investigations. One bank reported that in connection with one $100 loan for a period of one year, investigation costs amounted to $1.60.

Bankers have endorsed the Windsor's committee plan. They believe it will be to the advantage of the home owner to contact a contractor as his first step in securing a loan. The contractor can then go to the bank and be able to state definitely how much money will be required. He can bring with him the home owner's application and if everything is in order, a loan can be secured in a few minutes.

Wallace R. Campbell, president of the Ford Motor Company of Canada, Ltd., and Harry J. Mero, president of the Truscon Steel Company of Canada, Ltd., are behind the plan. These men are giving much of their time to work of the committee.

You'll like them—
"EXPORT" CIGARETTES
—everybody does.

LOANS ...to Finance Home Improvements

?

Is security required?
No, but borrowers must be responsible people of good credit standing, able to pay out of income.
How much can be borrowed?
Up to $2,000.
Can the money be repaid in installments?
Yes—monthly, if desired, over any period up to three years.
What is the rate?
3¼% discount for a one-year loan, repayable in equal monthly installments, and proportionate rates for other periods.
What can the money be used for?
Repairs and extensions; painting; modernization of kitchens, plumbing and heating equipment and other purposes designed to improve property and add to its value.
Must borrower own the property?
Yes.
Can loans be used for improvements to business premises?
No—only to private dwellings, including duplexes, small apartment houses and farm homes.

Under the provisions of the Dominion Housing Plan, The Royal Bank of Canada is prepared to make loans up to $2,000 to responsible borrowers to finance home repairs and improvements.

Security is not required, but borrowers must be home owners of good credit standing, who can prove their ability to repay their loans in the stipulated period.

Loans granted under this Plan can be used only for improvements, extensions or repairs to dwellings, including duplexes, small apartment houses and farm homes. Repayment may be made by monthly installments, if desired, over any period up to three years.

Interested parties are invited to discuss such loans with the manager of any branch of The Royal Bank of Canada. Ask for interesting explanatory booklet.

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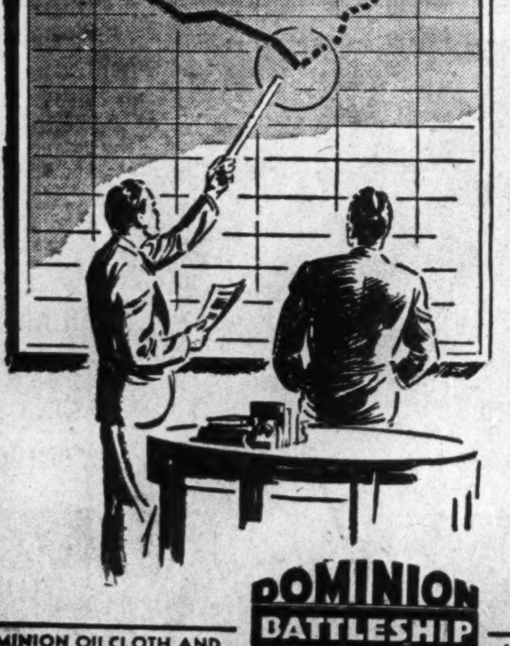
OVER 600 BRANCHES IN CANADA

QUALITY GOODS demand a QUALITY SETTING- Modernize your SHOWROOMS



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THE FINANCIAL POST

SECOND SECTION

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Food Firms Improve Earnings

Increasing Dividends Reflect Continuation in 1936 Of Numerous Gains in Profits Reported for Last Year

Data collected by The Financial Post on major food companies for this special section show continuation in 1936 of improved earnings reported in 1935.

These are reflected in larger dividend payments by food firms this year. Among the chief companies paying bonuses, or extras on account of arrears, are: St. Lawrence Flour, Canada & Dominion Sugar, Lake of the Woods Milling, National Grocers and Fanny Farmer. National Biscuit Co. is paying a fifth 40-cent dividend and George Weston has raised the rate from 60 to 80 cents on the common shares. Initial payments following reorganizations have been made on Canada Bread B preferred and Catelli Food Products 5% preferred.

Possibilities Summarized

Potential dividend payers include Atlantic Sugar, Canadian Canners on the second preferred, and Viau Biscuit on its 5% preferred.

Current results and possibilities of leading companies surveyed in this section are summarized as follows:

Acadia Sugar Co.—Earnings this year are understood to be running somewhat below those for 1935, but may be offset by improved results in later months. Last year bond interest was earned 3.2 times, after depreciation, and 15.8% was earned on the 6% preferred shares of $5 each.

* * *

Atlantic Sugar Refineries — Although earnings appear to be running somewhat below those for 1935, profits on the common stock are again expected to be substantial, and bond interest will be covered by a wide margin.

* * *

Blue Ribbon Corp.—Since the annual report appeared, one subsidiary, Pure Gold Manufacturing Co., has been doing much better, and others have maintained last year's gains which brought earnings to $2.02 a share on the preferred. Further improvement will be necessary before the partial dividend of $2 a share on the preferred can be increased.

* * *

Borden Co.—The company's strong liquid position has enabled it to pay dividends of $1.60 a share although earnings have fallen far short of this payment. Improved business in 1935 has continued into 1936, but it remains problematical whether the dividend will be covered.

* * *

B. C. Packers—With an unexpectedly heavy pack of salmon, particularly the higher grade sockeye, the current problem is to market it profitably. If this can be done, the simplified capital structure should improve the investment prospects which have been distinctly disappointing for some years.

* * *

Burns & Company—Sales have increased this year, but keen foreign competition in export markets has reduced export earnings. Profits for the year, therefore, may be somewhat lower than in 1935, which, however, would not necessarily prevent payment of a full 5% on all outstanding bonds. There is no early prospect of dividend payments on the company's shares.

* * *

Burry Biscuit—The forthcoming statement for the 10 months ending Oct. 31 will reflect only part of a year's earnings, but 28 cents a share was earned on the common stock for 7½ months. The dividend of $3 a share on the preferred is being covered by a wide margin, and earnings for a full 12 months may run around 50 cents a share on the common.

* * *

Canada & Dominion Sugar Co.—Slight improvement in sugar marketings, and a rise of 35 cents a hundredweight for sugar in Ontario is believed to have improved earnings, although the cost of raw sugar has risen. The bonus of $1 a share just declared raises payments for this year to $3.50 a share, compared with earnings of $3.47 a share last year.

* * *

Canada Bread Co.—Improved earnings for the latest year, which are believed to have run into the current year, have allowed payment of 50 cents a share on the class B preferred which is entitled to a cumulative dividend of $2.50 a share annually. Last year earnings were equivalent to $2.87 a share on the B preferred and 15 cents a share on the common, taking the participating feature into consideration, while first preference dividends were covered 2.6 times.

* * *

Canada Packers—Up to September 30, earnings were running about in line with those for the same period of 1935. It is too early to appraise earnings for the full year, because of the wide variety of products and the diversity of influences that can affect results in the meat packing business. Earnings last year, $4.86 a share, compare with the dividend of $3 annually.

* * *

Canada Vinegars—Decline of about 25% in 1935 profits resulted in a similar reduction of the dividend from $1.60 to $1.20 a share. Compared with earnings of $1.22 a share last year, it is believed current earnings will cover the dividend.

* * *

Canada Tea—Increase of dividend payments to 4% in 1936 reflects satisfactory maintenance of earnings in the current year.

* * *

Canadian Bakeries—Earnings for the past 2 years have been sufficient to cover bond interest, but after depreciation there was a loss in each year. This indicates that there is no immediate prospect of dividends on the first preference shares, on which there have been no earnings for several years. The earnings situation, however, has improved materially.

* * *

Canadian Canners — The most active sales period of the year is now under way, with satisfactory packs of foods on the company's shelves. With a valuable inventory, the company is in an advantageous position to realize upon the rise in the price of canned goods. Bond interest and first preferred dividends are being earned by a comfortable margin. It is hoped there will be an increase in last year's earnings of 19 cents a share on the second preferred, justifying a dividend.

* * *

Carnation Co.—Continues to cover the 5% preference dividend by a large margin and will show higher earnings this year.

* * *

Catelli Food—Payment of dividends on new preferred shares reflects improved earnings which have apparently been maintained this year. Elimination of dividend arrears on the former class A shares and improved earnings strengthen the financial position, although dividends for the common shares have not yet been anticipated.

* * *

Connors Brothers — Reports a good volume of business this year.

* * *

Consolidated Bakeries—Last year's profits of 90 cents a share were entirely paid in dividends. The earnings improvement of 1935 is believed to have been well maintained this year, so there is some hope of another extra dividend payment such as was made from 1935 earnings.

* * *

Dairy Corp.—Prospects for the current year which runs to March 31, 1937, are somewhat uncertain because it is too early to appraise results for the period. However, there is no prospect of cash payment on the company's securities. Debenture interest is being settled in A shares while the company endeavors to arrange some method of dealing with its involved bank loan situation.

* * *

David et Frère—Results for the current year are expected to be somewhat better than in 1935 but deficits have been shown every year since 1930 after charging depreciation.

* * *

Dominion Bakeries — The company's properties are rented and if realized upon, the assets will be applicable first on a prior lien owing to the parent firm, Maple Leaf Milling Co. The prospects for shareholders, therefore, are not favorable.

* * *

Dominion Stores—Although sales for the 40 weeks to Oct. 3 increased 9.7%, September volume was up only 1%. Sales results in the remainder of this year will, to a large extent, determine whether a satisfactory profit will be shown. For the first half year, the loss was $37,000, compared with a loss of $370,000 for the corresponding 1935 period. If earnings are realized in the current year, dividends would be possible because of the company's strong working capital position.

* * *

Eastern Bakeries — Results are improving, but the company has been unable to earn its preferred dividend and the 3¼% cash payments are being made, under guarantee, by the parent firm, Maple Leaf Milling Co.

* * *

Eastern Dairies—Sales are understood to have been well maintained this year, but profits are not in line. Results for the full year running to March 31, 1937, are not expected to show a major change from last year when bond interest was earned twice before depreciation but not quite covered after the charge. No earnings were reported on the preferred stock and no dividends are in sight.

* * *

Fanny Farmer Candy Shops—Expansion of the chain in the United States and increased sales volume for the first 9 months indicate there will be an improvement in earnings this year over the $1.28 a share reported for 1935. Consequently, continuation of "extra" dividend payments is anticipated.

* * *

Hunt's Ltd.—Expansion of various branches of the business is expected to be reflected eventually in earnings, but for the present has resulted in substantial outlays. Hence, dividends are not an immediate prospect.

* * *

Inter-City Baking Co.—Operating in Ontario and Quebec, the company's earnings have been improving with general business gains, so dividends have been restored on the common shares.

* * *

Inter City Western Bakeries—Although the bread business has improved in western Canada, earnings have been insufficient to cover full first mortgage bond interest, and the May 1, 1933, coupon was only paid May 1, 1936. Maintenance of improvement may allow another payment soon.

* * *

International Milling—With a long history of strong finances and good earnings, the company covers the 5% dividend on first preference stock by a wide margin.

* * *

Lake of the Woods Milling—Improved earnings have apparently continued since the close of the fiscal year and the outlook is regarded as favorable. Payment of an extra $14 a share Dec. 1 will reduce preferred arrears to $14 a share. The company's large earning power, especially under improving conditions in flour milling, leads to hope that eventually when the preferred arrears have been liquidated there will be cash payments on the common stock. Earnings on the common in the last year were $2.32 a share if preferred arrears are disregarded.

* * *

Laura Secord — Earnings have become more or less stabilized with the halting of expansion of the candy chain. Earnings include over $1 a share of investment income annually, and the $3 dividend is regarded as a stable payment.

* * *

Loblaw Groceterias Co. — Sales and profits continue to improve in the current year. The fiscal year runs to May 31, 1937, and even this early it is expected earnings of $1.11 a share shown last year can be improved upon. Experience of the last few years indicates that the rate of earnings has become stabilized, and that the greatest period of expansion has passed.

* * *

Maple Leaf Milling Co.—More favorable conditions in flour markets have enabled the company to increase earnings substantially, and the outlook appears favorable. However, the company's main problem is paying bond interest and liquidating the large deficiency in working capital. Thus there is no prospect of dividends on class A or common shares until large sums can be plowed back into the company.

* * *

McCormick's—Formerly Canada Biscuit Co., the company has been reorganized. Under new management an aggressive marketing campaign is being conducted which, eventually, may prove beneficial to investors in the bonds and noncumulative preferred shares. Satisfactory results have yet to be seen.

* * *

Moir's—Improvement in earnings last year allowed coverage of bond interest, and surplus earnings were charged off to depreciation. Consequently preferred dividends are not being paid and are running in arrears. Hopes are held for further improvement this year.

* * *

National Biscuit Co.—Sales have increased and profits for the first 9 months of 1936 were $1.33 a share compared with 94 cents a share for the same 1935 period. Earnings for the full year will be well above last year's $1.31 a share, and a fifth payment has been declared bringing total dividends for 1936 up to $2 a share.

* * *

National Grocers Co.—In the current year, sales have been running somewhat higher than in 1935. Proposals for liquidation of preferred arrears of $31.50 have not been adopted, but appear to be coming closer to realization. Although earnings, without regard for arrears, amounted to 74 cents a share on the common stock last year, payments cannot be made until some arrangement has been made to look after the preferred arrears.

* * *

Ogilvie Flour Mills—Largely due to increased dividends from subsidiaries, earnings rose to $10.55 a share in the year ended Aug. 31, 1936. Profits from flour milling operations have declined, but may recover if the milling industry realizes its current hopes.

* * *

Robinson Cone — Although the company does not publicize its affairs, this year is said to have been satisfactory.

* * *

St. Lawrence Flour—Improvement in earnings for 1935-6 year have continued satisfactorily. Since earnings amounted to $5.62 a share on the common last year, continuation of increased payments is anticipated provided flour milling conditions remain favorable.

* * *

Silverwood's Dairies — Earnings are reported to have been improving this year, although conditions for dairy companies have been none too favorable in Ontario. First mortgage bond interest is covered by a considerable margin and 6% interest is being paid on new debentures following the reorganization. Dividends on the preferred become cumulative from next April 1, and payments will depend upon results.

* * *

Stop & Shop — Although sales have been higher, the consolidation with Thrift Stores and results for the latter months of this year will determine whether a profit, in contrast with last year's loss, can be achieved. Bond interest has been continued but there is no prospect of any dividends at present.

* * *

Thrift Stores—Combination of the company's interests with those of Stop & Shop is expected to allow economies and more effective operation in the Montreal area, which may benefit investors.

* * *

Viau Ltd.—Earnings are understood to have improved somewhat this year. The company believes it is now capable of maintaining the new 5% rate on first preferred shares which accrues from January 1 next.

* * *

Western Canada Flour—Improvement in flour marketing conditions enabled the company to show $1.59 a share earned on the preferred last year and prospects for the year running to July 31, 1937, are regarded as good. Preferred dividends remain in abeyance, however, until the working capital position is improved.

* * *

Western Grocers—Improved earnings of 1935 are believed to have been sustained this year. Last year's profits were $4.97 a share on the common, so that the current dividend of $2 is regarded as safe.

* * *

George Weston—Expansion has continued in the United States this year, but the company has disposed of its English interests. Earnings have increased substantially compared with the $1.08 earned on the common shares in 1935, and dividends have been increased. If earnings allow it, the company hopes to increase the common dividend further, and thus to encourage conversion and elimination of the 5% preference shares.

FOOD SHARES IN VAN OF STOCK MARKET ADVANCE

Common stocks of food companies had a comparatively good record in the depression of the stock market from 1929 to 1933 and have been among the leaders in the recovery movement. While many food shares do not hold as great possibilities of further improvement as do some riskier types of stocks, the long-term record of the food stocks has been favorable to the investor.

Domestic Stabilization Is Big Aid to Millers

Elimination of Cut-Throat Competition at Home Partly Offsets Low Export — Baking Industry in Better Position

Canadian millers and bakers at last appear to have adjusted themselves to the reduced outlet for their goods which resulted from the depression. For the first time in years earnings of the companies interested have been almost universally on a sharply upward scale.

Volume of sales and prices, it is known, have improved over the past year both in respect to bread and flour. But not these slight gains so much as a readjustment of companies to market policies, it is believed, is responsible for the present healthier outlook for these allied industries.

Investors Interested

Until recently the milling industry as a unit, has been held in rather low esteem by the investing public. However, the improvement in the earnings of the 5 major milling companies has revived interest in securities and the question is being asked:

"Is there a sound basis for the improvement of earning power?"

There is, of course, a wide difference in the financial picture of the different units of the industry but the same fundamentals affect the earning capacity of each.

Exports Small

For several years the presidents of the different milling companies in their annual addresses to the shareholders have stressed the importance of the export market. It has been pointed out that a loss of approximately 50% of the export volume, which was regarded as normal prior to 1930, resulted in intense competition in the domestic market, each company striving to maintain production at mills whose capacity was far in excess of what the domestic market could possibly absorb. Comparison of the quantity of exports during the past 5 years indicates that the hoped for relief through an improvement in export business has not materialized.

Flour Exports and Prices
(To crop years ended July 31)

Year:	Bbls.	Price per bbl.
1936	4,978,917	$4.02
1935	4,750,310	3.83
1934	5,454,636	3.57
1933	5,370,613	3.18
1932	5,383,594	3.44

Better Prices

True there has been some improvement in the export price. The change in the market policy of the Canadian Wheat Board last December in selling Manitoba at a closer parity with other wheats on the Liverpool and European markets enabled Canadian exporters to secure business on a safer and more profitable basis. When Canadians were out of line on wheat there was a tendency to accept flour bids on a very narrow manufacturing margin of conversion in order to get volume and keep the mills running.

But export volume this year is barely 5% over last, so that the explanation for increased earnings is apparently not due to this factor, nor altogether to the gain in export price.

More Stable Domestic Market

A good deal of the improvement is attributed to stabilization measures in the domestic market.

Stabilization was achieved in England by means of a rationalization plan, which is simply the control of production through a system of quotas. This plan was responsible for a prosperous milling industry in England, which has resulted in great strides in technical improvement.

See Modernization Possible

With this example prominently before Canadian milling executives, there is a growing realization of the necessity of capital expenditures to modernize old plants in Canada—indeed to replace some of the older plants—so that the Canadian milling industry may retain its reputation for the best flour in the world. Such improvements can obviously be brought about in the industry generally only by a period of larger earnings. Due to the great importance of the Canadian milling industry in the national economy, it is to be hoped that the leaders of the industry will find a formula which will enable them to work as a unit toward this objective.

With better relations in the domestic markets, Canadian millers too are looking forward to a continuance of improvement in the export field. At the present rate of progress, of course, this is a distinctly long view. But general factors appear more favorable.

The recent move of France away from gold coupled with a reduction in tariffs is cited as a favorable sign. If this move spreads to the rest of Europe, it might conceivably reopen a very large market to Canadian flour. The good old days of an annual export of 11 million barrels, of course, are not expected to return immediately. Perhaps they will never return as European strides toward self sufficiency fostered by high tariffs and extreme nationalism, result in many flour mills being erected as well as in the extension of wheat growing to land formerly devoted to other crops. The reversion to normal conditions with high-priced land growing higher-priced crops than wheat will depend on an era of peace.

While only an optimist would view the immediate outlook in Europe as peaceful, nevertheless in the last few months Canada through trade treaties has made some progress toward expanding her outlets of flour and grain. Each gain in this respect brings nearer the day of dividends and prosperity for the flour milling industry of this country which was developed on the basis of a big export trade. Some 2 million barrels added to the present annual export of around 5 millions, it is estimated, would put Canadian milling on a satisfactorily profitable basis.

Bakeries More Prosperous

Turning to the baking picture the improvement has been even more noteworthy because this is a purely domestic proposition and the latter situation has improved. While cut throat competition has not by any means been eliminated it has been lessened in many areas, The Post is informed. Bread prices are firmer, though the advance, it is stated, has not yet been sufficient to offset the increase in the cost of flour and other materials.

The output has been increased and leading bakeries have stepped up payrolls. Quality of the bread manufactured has steadily improved from the low point of the depression when cut prices, it is claimed, prevented companies turning out top quality. Special cake flours have been developed that import a "home cooking" flavor to cakes and other bakery pastry products. Revenue from this source is important with many of the large aggressive companies.

Another favorable factor has been gradual decline of the "food faddist" schools. To voluptuous Mae West and publicity campaigns sponsored by interests behind the bread companies is attributed much of the improvement in this respect.

Baking companies regard hopefully the recovery in general business and particularly that type of business such as construction, which employs large numbers of lunch pail carrying employees. Into the lunch pail goes a large proportion of bread.

Loblaw Groceterias Co.

Sales and Profits Showing Improvement; Expanding Internally But Greatest Growth Has Been Realized

Loblaw Groceterias Co. operates a chain of 111 self-serve grocery and provision stores throughout Ontario. Its financial year ended May 31, 1936, and earnings of $1.11 a share were shown on the class A and B stock, on which dividends of $1 a share are being maintained.

In the current year, the company has so far shown an increase in sales of 14% and about 17% in profits While this augurs well for improved earnings, it must be remembered that the year runs to May 31, 1937.

Internal Expansion

Recently the company has not been expanding the number of store units, but it has been conducting a sort of internal expansion by increasing lines handled by individual stores. Market-type stores have been opened and markets installed in existing stores to sell meats, fruits and vegetables in addition to groceries. Over half the company's chain is now of the market type, which allows expansion of sales without a corresponding increase in store overhead.

The company's merchandising system is regarded as one of the most efficient in its line in North America. It is characterized particularly by high volume per store, average sales per unit being nearly $147,000 in the latest year. Earnings have run close to $10,000 per store.

Nature of Shares

The principal difference in the class A and class B shares is that the A stock is entitled to cumulative preference dividends of 50 cents a share annually before any payment is made on class B stock. Dividends have been raised to $1 the participation feature resulting in the same payment on both classes of shares. Although the A shares are non-voting, the preference as to initial dividends results in a somewhat higher market price than for class B stock.

Over the past 7 years, earnings on both A and B shares have varied between $1.08 and $1.28 a share, and dividends have been gradually raised. Although the sensational expansion of stores between 1920 and 1930 no longer appears to be a possibility, the shares are regarded as a stable form of equity investment in food merchandising.

Capitalization—

	Authorized	Outstanding
Class A	600,000 shs.	445,056 shs.
Class B	600,000 shs.	383,300 shs.

(No par value).

Funded Debt— None.

Dividend Record— Dividends—Present rate $1 per annum on both A and B stock; class A entitled to cumulative preferred dividend of 50 cents per annum, and equal participation with Class B after payment of 50 cents per share on class B; both payable 1st Mar., June, Sept. and Dec. Initial dividend of 12½ cents per share on both stocks paid June 1, 1929; and quarterly thereafter to Dec. 1, 1929; increased to 20 cents per share Mar. 1, 1930, and to present rate June 1, 1934. Bonus of 20 cents per share on both A and B shares paid Dec. 1, 1932; 15 cents June 1, 1934.

Affiliated Company—Loblaw Groceterias, Inc.

Head Office—Toronto.

Officers and Directors—

Officers—J. Milton Cork, pres. and gen. mgr.; Charles B. Shields, vice-pres. and asst. gen. mgr.; Daniel Urquhart, vice-pres., sec. and treas.

Directors — J. Milton Cork, H. G. Muntz, Charles B. Shields, Daniel Urquhart, Justin M. Cork, F. K. Morrow, Toronto; W. A. Arbuckle, Montreal.

Earnings per Share and Dividend Record—
Year end. May 31:

Classes A & B:	1936	1935	1934
Earned	$1.11	$1.08	$1.12
Paid	1.00	1.00	0.85
Extra	....	....	0.15

Seven Years Earnings—
Year end. May 31:

Year	Earnings $	Dividends $	Surplus $
1930	1,190,323	556,505	2,205,599
1931	1,206,635	680,673	2,225,075
1932	1,180,841	679,568	2,292,194
1933	1,131,852	638,377	2,776,038
1934	1,061,299	832,404	2,874,397
1935	1,039,876	830,631	2,921,643
1936	1,064,354	828,607	2,994,549

Market Record—

	*1936 H	*1936 L	1935 H	1935 L	1934 H	1934 L
Class A	22¼	18¾	19¾	16½	18¼	14
Class B	20¾	17¼	18⅛	16	17¾	13½

*To Oct. 31.

Canada Bread Co.

Improving Business Permits Dividends on B Preferred Stock — General Strengthening Shown in Position

Marked improvement was shown by Canada Bread Company's report for the fiscal year ended June 30, 1936. Because of increasing sales volume of both bread and cake, operating profits for the year at $456,290 showed a 40% increase.

Dividends at the full rate of 5% were paid during the fiscal year on the first preference shares, but were not paid on the B preference shares and on June 30, 1936, arrears on that stock were $2.50 a share. An initial B dividend of 50 cents a share was paid October 1.

Working capital of the company has improved materially and cash on hand is nearly equal to total current liabilities.

Modernization of plant has been carried out during the year. Sufficient bonds have been bought to take care of all sinking fund requirements until maturity.

The president, C. H. Carlisle, states that the safety of the company lies in making adequate provision for bond redemption in 1941. This policy accounts for the non-payment of dividends on the B preference to Oct. 1, 1936. Common stock chances depend on B arrears being paid and on the directors satisying themselves that redemption of bonds is assured on maturity.

Capitalization—

	Authorized	Outstanding
Common (n.p.v.)	200,000 shs.	200,000 shs.
1st pref., 5-6%	$1,250,000	$1,250,000
B pref., 5%	1,250,000	1,250,000

Par $100 for 1st preferred while B preferred is of $50 par. Majority of the common stock is held by Maple Leaf Milling Co.

Funded Debt—

6% first mortgage sinking fund bonds, due 1941, outstanding *$958,700.

*Of which $47,400 is held for redemption.

Dividend Record—

1st pref.—Entitled to 5% per annum, cumulative, to July 1, 1941, and thereafter to 6%, cumulative. Dividends accrue from July 1, 1935, payable quarterly Jan., April, July and Oct. 1. Interim dividends of 1% paid Oct. 1, 1935, and Jan. 2, 1936; 1¼% paid Apr. 1, 1936; 1¼% plus ½% covering all arrears, paid July 2, 1936; 1¼% paid Oct. 1, 1936.

Class B pref.—Entitled to 5% per annum, ($2.50 per share) cumulative from July 1, 1935, payable quarterly. Initial dividend of 50 cents paid Oct. 1, 1936.

Common—None paid.

Head Office—224 Davenport Rd., Toronto.

Officers and Directors—

Officers—C. H. Carlisle, pres.; C. W. Band, vice-pres.; A. Victor Loftus, gen. mgr.; W. S. Antliff, asst. gen. mgr. and sec.-treas.; L. F. Enright, asst. sec.-treas.

Directors—‡C. H. Carlisle, ‡J. H. McConnell, ‡C. W. Band, *A. G. Walwyn, †A. W. Holmested, *C. B. Shields, ‡R. S. Waldie, all of Toronto.

*Representing 1st pref. shareholders.
†Representing class B shareholders.
‡Representing common shareholders.

Earnings per Share and Dividend Record—
(Years ended June 30)

	1936	1935	1934
1st pref.: Earn.	$13.08	$4.47	nil
Paid	5.00	nil	nil
B pref.: Earn.*	4.04	nil	nil
Earned†	2.87	....	....
Paid	nil	nil	nil
Com.: Earned†	0.15	nil	nil

*Before (†after) taking into consideration participating features of the stock.

Times Bond Interest Earned:

	1936	1935	1934
Before deprec.	8.00	6.01	5.18
After deprec.	4.57	2.28	1.17

Seven Years Earnings—

Year	Earnings $	Dividends $	Surplus $
1930	776,714	412,500	2,004,075
1931	449,107	387,500	1,700,570
1932	504,691	125,000	1,720,059
1933	305,563	100,000	1,576,724
1934	304,276	......	1,559,295
1935	349,213	......	1,615,190
1936	460,591	62,500	75,580

Market Record—

	*1936 H	*1936 L	1935 H	1935 L	1934 H	1934 L
Com.	7½	4¼	6½	2	5⅛	2
Pref. A	101	90	95	63	65	23
Pref. B	46½	30	38	17	21	8

*To Oct. 20.

Chain Stores Fight Taxes In Montreal

Ask Montreal Courts to Declare Discriminatory Levies Unconstitutional

For some time chain store companies have had to worry about the tendency to discriminatory taxation of chain store units in Quebec and the Maritime Provinces. Among the companies affected are Dominion Stores, Thrift Stores and Stop & Shop. As well as affecting existing stores, of course, special taxes prevent new chain store expansion.

The assessors' section of the Ontario Municipal Association recently passed a resolution in favor of doubling the business assessment on chain stores. They recommend that the business assessment on chain stores be increased from 25% to 50% of the assessment for general purposes, and that the business assessment on chain store warehouses and offices be raised to 75%. So far no legislative move has occurred in this direction in Ontario.

Taxing the Chains

The Canadian Chain Store Association is greatly concerned about recent legislation and proposals in the provinces of Quebec, New Brunswick and Prince Edward Island to increase taxation upon chain stores. The association claims the taxation translates into law public prejudices against chain stores "fomented by the highly colored charges made before the Price Spreads Commission."

In Prince Edward Island, a tax of $2,000 annually was recently imposed on every chain store operated in the province, or 3% of the gross sales if 3% proved lower than $2,000. In the case of chain wholesale stores, the annual tax is $2,000 or 1% of gross turnover if the 1% is less than $2,000.

New Brunswick takes the position that every business in the province selling goods directly to the consumer, and owned by persons or companies not resident in the province, should pay an addition to the regular business and property tax it already pays. The tax is based on gross sales. In neither case is there discrimination between types of chain stores.

Many Quebec municipalities, including Montreal, Lachine, Verdun, Sherbrooke and Magog, plan increased special taxes on chain stores. The procedure in the past has been for the municipality to petition the legislature for an amendment to its charter, giving authority to impose such taxes. So far, the legislature has been obliging.

Test Case Soon

A test case will be brought before Quebec courts in November on the Montreal taxation. Four chain store companies are suing for a return of taxes and a declaration that the system of taxation is ultra vires.

The recent political turnover in Quebec stopped the last legislature in mid-session before proposals for increased taxes could be passed. Some of the bills are being introduced again. The bills now have the force of law in Magog and Victoriaville. Each of these towns can impose an annual tax of not more than $250 on each chain store unit in the town.

The Chain Store Association charges that the Retail Merchants Association of Quebec aims at the complete destruction of the chain store system of merchandising. At the last session, for example, the retail merchants asked for an amendment to the Montreal charter providing for a tax of $1,000 per store on every chain store over 3 and $2,000 per store on every one over 10.

The taxation of chain stores permitted Montreal by 1935 amendments to the charter, and which still apply, are as follows:

Chain Store Taxation Scale per Store

	Tax 1st store	Tax 2 to 5 stores	Tax 6 to 10 stores	Per store tax over 10 stores
Meat shops	$50	$100	$200	$300
Grocery, hardware*	0	100	200	300
Tobacco, drug, etc.	5	25	50	75
Variety	100	100	200	300
Comb. stores‡	0	100	200	300

*Service stations were included in this tax but recent return to retail control will remove them from the jurisdiction of this tax.

‡Retail merchants have been representing that combination chain stores should be subject to double taxes.

In western Canada there is no discrimination in the application of taxes between chains and independents. An attempt to get the right was made at Winnipeg, but the advocates were unable to convince the legislature that discrimination was advisable or just.

Advance of Cocoa Above 8c Raises Manufacturers' Cost

Sensational rise of cocoa futures this year has brought the quotations for December deliveries well above 8 cents a pound compared with 5.1 cents last January. The effect is to raise costs of manufacturers of biscuits and confectionery firms.

Despite increasing world consumption, probabilities of some smaller crops, and the length of time it takes to bring new plantings into production, Witkin & Co., New York, suggest that temporarily the peak of prices has been reached.

Canada Packers

Results Running at About Same Level as Last Year — Expands Activities in Western Canada

Canada Packers Ltd. for the 6 months up to September, 1936, the first half of the fiscal year, has had earnings just about in line with those of the corresponding period of 1935. Earnings for the full year ended March 26, 1936, amounted to $4.86 a share on the common stock on which a dividend of $3 a share annually is being maintained.

Capital structure has been simplified in recent years by redemption of all bonds of subsidiaries and by refinancing the former 7% preferred stock of Canada Packers Ltd. The preferred redemption has been carried out by issuing $3 millions of serial bonds and $3 millions of 10-year bonds, resulting in a saving in fixed charges. One consequence will be that for the year ending in March, 1937, the company will show a full year's interest on bonds, instead of preferred dividend payments prior to common earnings. While this reduces fixed charges, to the benefit of the common shares, developments in the trade are a more important factor in share earnings.

Expands in West

On Nov. 4 the company opens its new plant at Edmonton, which will allow efficient distribution in Alberta and British Columbia.

The company produces a full line of packing house products, including ham, bacon, beef products, shortening and special meat products as well as canned meats and soups and dairy products. Distribution under "Maple Leaf" brand is effected from coast to coast.

Because of the great diversity of products and keen competition in both domestic and export markets, efficient management is essential in the industry to establish profits. It is pointed out consistently in Canada Packers' annual reports that profit runs only 1/5 cent a pound of product sold.

Export Trend

Due to some extent to increased exports to Great Britain under the Empire trade agreements, earnings have increased substantially in recent years. Consequently, changes in the trade agreements which come up for renewal within the next year will be important to the company.

Another important feature of the export trade, the fluctuation in value of the pound sterling, appears to have been ironed out by the new gold exchange agreement between British, French and American governments.

Capitalization—

	Authorized	Outstanding
Common, n.p.v.	200,000 shs.	200,000 shs.

Funded Debt—
Collateral trust bonds: 3%, due 1937, outstanding $750,000; 3⅛% due 1938, $750,000; 3¼% due 1939, $750,000; 3⅜% due 1940, $750,000; 4% due 1946, $3,000,000.

Dividend Record—
Common—$3 per share per annum, payable quarterly Jan., Apr., July and Oct. 1. Paid regularly since Apr. 1, 1935.

Subsidiaries—
William Davies Company, Inc.
The Harris Abattoir Company, Ltd.
Canadian Packing Company, Ltd.
Gunns Limited.
Collis Leather Co.

Head Office—Toronto.

Officers and Directors—
Officers—J. S. McLean, pres.; E. C. Fox, T. F. Matthews and W. T. Harris, vice-presidents; S. G. Brock, sec.-treas.; N. J. McLean, gen. mgr.

Directors—J. S. McLean, E. C. Fox, T. F. Matthews, N. J. McLean, W. S. Cameron, S. G. Brock, W. T. Harris, A. L. Laing, A. G. Hall and C. Laursen, all of Toronto; Joseph Harris, Winnipeg; G. S Matthews, Peterborough, Ont

Earnings per Share and Dividend Record—

Year ended:	Mar. 26 1936	Mar. 29 1935	Mar. 29 1934
Pref.: Earned	....	$22.39	$23.70
Paid	$5.25	7.00	7.00
Com.: Earn.	4.86	4.48	†5.04
Paid	3.00	0.75	nil

†In 1934, common share earnings are based on net profit less full year's preference dividends, but before deducting payment of arrears.

Seven Years Earnings—

Year	*Earnings $	Dividends $	Surplus $
1930	1,552,072	444,738	3,706,569
1931	838,112	435,395	4,111,638
1932	450,303	422,319	4,073,622
1933	607,672	422,254	4,259,040
1934	1,429,670	1,055,672	4,633,038
1935	1,318,663	572,287	5,379,414
1936	1,288,011	916,701	5,177,174

*After all expenses, bond interest, income tax provision for current year and additional amounts for prior years, and depreciation.

Stock Range—

	*1936 High	*1936 Low	1935 High	1935 Low
Common	93	80	82½	50

*To Oct. 20.

Wm. Davies Co., Inc.
(Controlled by Canada Packers)

Capitalization—

	Authorized	Outstanding
Class A com.	60,435 shs.	60,435 shs.
Class B	60,000 shs.	60,000 shs.

No par value.
Canada Packers owns over 99% of class A and all class B stock.

Funded Debt—None.

Subsidiaries—
The William Davies Co., Ltd.—Operates the Canadian properties of the company.
Ontario Fertilizers Limited—An affiliated company.
National Canned Meats, Limited—Situated at Toronto.
Federal Cold Storage & Warehousing Co.
Duane Produce Co.—An inoperative plant located at New York.

Head Office—Chicago.

Officers and Directors—
Officers — E. C. Fox, pres.; R. W. Perry, vice-pres.; S. G. Brock, sec.-treas.
Directors—E. C. Fox, J. S. McLean, N. J. McLean, R. W. Perry and S. G. Brock, all of Toronto.

Harris Abattoir Company Ltd.
(Entirely owned by Canada Packers)

Capitalization—

	Authorized	Outstanding
Common stock	$5,000,000	$2,555,000

(Par $100. All owned by the parent company).

Funded Debt—None.

Subsidiaries—
Harris Abattoir (Western) — St. Boniface, Man.
Ontario Fertilizers Ltd.—Owned jointly by this company and Wm. Davies Co.
Public Cold Storage and Warehousing Co.
Sales Company—In addition the company operates as separate companies, 4 sales subsidiaries in Nova Scotia, Quebec, New Brunswick and Saskatchewan.

Head Office—Union Stock Yards, Toronto.

Officers and Directors—
Officers—W. T. Harris pres.; J. S. McLean, vice-pres.; J. Harris, vice-pres.; S. G. Brock, sec.-treas.; C. Wadge, asst. sec.; W. S. Cameron, man. dir.
Directors—J. Harris, Winnipeg; J. S. McLean, S. G. Brock, W. T. Harris, N. J. McLean. W. S. Cameron, J. S. Willis,

C. C. Polkinghorne, C. Wadge, C. Laursen, all of Toronto.

Gunns Ltd.
(Entirely owned by Canada Packers)

Capitalization—

	Authorized	Outstanding
Common (n.p.v.)	3,000 shs.	3,000 shs.

Subsidiaries—
Walkerton Egg & Dairy Co., Limited—Walkerton, Ont.
Wellington Produce Co., Limited—Harriston, Ont.

Gunn, Langlois and Co. Limited.

Officers and Directors—
Officers—J. S. McLean, pres.; Brig.-Gen. J. A. Gunn and N. J. McLean, vice-pres.'s.; S. G. Brock, sec.-treas.
Directors—J. S. McLean, N. J. McLean; Brig.-Gen. J. A. Gunn, W. S. Cameron and S. G. Brock, all of Toronto.

Canadian Packing Company Ltd.
(Entirely owned by Canada Packers)

Capital Stock—

Officers and Directors—
Officers—T. F. Matthews, pres.; J. S. McLean, vice-pres.; S. G. Brock, sec.-treas.
Directors—T. F. Matthews, J. S. McLean, N. J. McLean, E. C. Fox, G. S. Matthews, W. S. Cameron, S. G. Brock, all of Toronto.

B.C. Packers

Salmon Pack Heavy This Year — Capital Reorganized

British Columbia Packers, after reporting a deficit in each year since 1930, completed a capital reorganization in 1935 which has greatly simplified the capital structure. At the end of 1935 it had outstanding only 136,279 no par value common shares and $253,000 of 6% 1st mortgage debentures due 1944. In August, the company arranged to redeem the 6% debentures outstanding to the extent of $221,000 and replaced them with a similar issue of 5% bonds maturing in 1944.

The company produces canned salmon, cured fish, fish meal, and fish oil on the Pacific coast. In 1935 it began the manufacture of dog food in order to utilize vacant space when the canning season is finished.

Working capital is not very large but for the first time since 1930 current assets exceeded current liabilities by $147,811 at the end of 1935. Principal current liability was $1.1 million of secured bank loans.

Total pack in 1936 is reported at 1.4 million cases and approximately 580,000 cases consist of the choicer grades of sockeye, spring salmon and cohoe. If marketing conditions this winter are propitious this situation may work out well for the company.

Capitalization—

	Authorized	Outstanding
Common, n.p.v.	390,994 shs.	136,279 shs.

126,279 shares issuable under 1935 reorganization in exchange for old preferred and common stock. 10,000 shares issued to H. R. MacMillan Export Co., in consideration for the services of H. R. MacMillan as president of company.

Funded Debt—
A new issue of 5% bonds, due Jan. 10, 1944, has been entirely subscribed by holders of the old 6 per cent first mortgage debentures, which are being redeemed as of Sept. 15, 1936.
Non-interest-bearing 2nd mtge. debentures—Due Dec. 31, 1960. $1,050,000 issued and deposited as part security against bank loan of $1,093,826 and bills payable of $597,000.

Dividend Record—
Common—None paid to date. Old 7% pref. paid from April 1, 1929, to Oct. 1, 1930, none thereafter, in arrears $29.75 per share when exchanged under reorganization. Old common: None paid.

Head Office—Vancouver.

Officers and Directors—
Officers — H. R. MacMillan, pres.; S. J. Burke, vice-pres.; C. C. Thomas, man dir.; J. M. Buchanan, gen. mgr.; S. K. Murray, gen. sales mgr.; G. M. Ferguson, sec.-treas.
Directors—S. J. Burke, F. E. Burke, George Kidd, H. R. MacMillan, J. P. D. Malkin, W. J. Van Dusen, A. K. Douglas, A. C. Taylor, Gordon Farrell, all of Vancouver; J. H. Gundy, Toronto; A. H. Williamson, Winnipeg.

Seven Years Earnings—
Years ended Feb. 28:

Year	†Earnings $	Dividends $	Surplus $
1930	634,276	205,422	715,259
1931	*897,377	208,850	*759,629
1932	*451,679	......	*1,659,760
1933	81,022	......	*1,946,979
1934	108,290	......	*3,380,542
1935	219,317	......	*3,801,534
1936	188,450	......	*32,250

*Loss or deficit †After interest on bank loans, bills payable etc.

Market Record—

	*1936 H	*1936 L	1935 H	1935 L	1934 H	1934 L
Com.	†13½	8	1¾	½	3⅞	1⅛

†New. *To Oct. 20.

Burns and Company

Western Meat Packing Firm Has Increase in Sales But Earnings Somewhat Lower Than in 1935—Hope For Continued 5% on All Bonds

Burns & Company, Calgary, meat packing firm, has had an increase in sales for the first 9 months of 1936, as compared with the 1935 period, due largely to increased exports, and notwithstanding lower sales in the drought area of western Canada. However, keen foreign competition in export markets has reduced the company's earnings on exports, so that total profits for the 9 months are somewhat less than for the same period of 1935.

The outlook for the remainder of the year is considered good by the management.

Has Paid 5%

Under the 1934 reorganization, interest on half the first mortgage bonds is now fixed at 5%. On the other half, interest is payable only if earned, and was paid at 5% from 1935 earnings. After depreciation, earnings in 1935 were approximately 8.7% on the $6.7 millions of bonds, so that there oould be a considerable reduction in profits and still allow full 5% payments on all the bonds.

Net current assets, which amounted to $2.8 millions in 1935, have shown a satisfactory increase this year, after making capital expenditures. New equipment has been installed where necessary for efficient and economical operations, and extensive repairs, in addition to maintenance, have been made this year.

Subsidiaries' Gains

Both sales and earnings have been increased in the first 9 months this year by the 2 subsidiaries, Palm Dairies Ltd. and Consolidated Fruit Co. Both had improved earnings in 1935 as compared with 1934. Since neither subsidiary distributed profits to Burns & Co. in 1935, however, their improved operations were not reflected in the accounts of the parent company. This is another potential source of income for Burns & Co.

No dividends can be paid on the class A and B shares when net current assets of the company are less than $3.5 millions, so that there is no immediate prospect of such payments.

Capitalization—

	Authorized	Outstanding
Cla. A $1 pfd.	33,790 sh.	33,384½ sh.
Non-cum., n.p.v.		
Cl. B, n.p.v.	139,995 sh.	109,554 sh.
Management, n.p.v.	5 sh.	5 sh.

Funded Debt—
First mtge. 5% series A bonds, due 1956; outstanding *$6,693,400.
*The Trust Deed as amended in 1934 divided this issue into 2 divisions with regard to payment of interest, as follows:
Obligatory interest bonds—2% per annum Jan. 1, 1934, to Jan. 1, 1935; 3½% p.a. Jan. 1, 1935 to Jan. 1, 1936; 5% p.a. (Jan. and July 1) to maturity, outstanding $3,358,450.
Income bonds—5% per annum, until Dec. 31, 1938, payable April 1, each year only to the extent of 75% of available income, non-cumulative; thereafter a fixed charge payable Jan. and July 1, commencing July 1, 1939. On April 1, 1936, 5% paid for year 1935, outstanding $3,334,950.

Dividend Record—
(On old stock) Preferred—6% cumulative, payable Jan., Apr., July and Oct. 1; paid regularly to Oct. 1, 1930, none thereafter.
Common—None paid. New stocks: none paid to date.

Subsidiaries—
Palm Dairies Ltd.
Consolidated Fruit Company Limited—77% owned.

Head Office—Calgary, Alta.

Officers and Directors—
Officers — Hon. Patrick Burns, chm.; John Burns, pres.; J. H. Kelly, acting sec.; W. C. Stamp, acting treas.
Directors — Hon. Patrick Burns, John Burns, J. I. McFarland, A. C. Newton, Wm. Toole, Calgary; Col. A. M. Brown, Vancouver; W. S. Hodgens, E. G. Long, Toronto; A. E. Pequegnat, Waterloo, Ont.

Times Bond Interest Earned*—

	1935	1934	1933
Before deprec.	7.71	7.98	1.19
After deprec.	5.01	3.43	0.46

*Obligatory bond interest after bank and mortgage interest.

Earnings per Share and Dividend Record—

	1935	1934	1933
Class A: Earned	$7.10	$4.13	....
Earned	2.41	1.74	....
None paid.			
Class B: Earned	1.41	0.74	....
None paid.			

Seven Years Earnings—

Year	Earnings $	Dividends $	Surplus $
1929	1,447,007	416,250	325,637
1930	687,532	312,531	14,633
1931	299,289	......	*516,461
1932	96,473	......	*1,167,784
1933	474,035	......	*1,379,553
1934	561,669	......	139,433
1935	905,159	......	374,268

*Deficit.

Canadian Canners

Enters Active Sales Period With Favorable Prospects Due to Higher Prices For Canned Foods

Canadian Canners Ltd. appears likely, in the current year, to show improvement in earnings over the gains established in the year ended Feb. 29, 1936. Consequently there is a possibility of some payment on the second preferred stock.

Owing to small packs in some crop areas this year, and partly due to continued export demand, prices for major lines of canned foods have strengthened from 10% to 15%. Canadian Canners is understood to have had satisfactory packs in major lines. and at the close of last year had inventories of $4.4 millions. Consequently, it is in a position, in its best marketing season, to supply increased demand at somewhat higher prices than a year ago.

The fiscal year runs to Feb. 28 and the late fall and winter months are among the most active for marketing of canned fruits and vegetables. While the company enters this season with favorable expectation, actual marketings between now and the end of February will, to a large extent, determine results for the full year.

Last year the company refinanced its 6% bonds by issue of new 3% serial bonds and 4% 15-year bonds. The saving in interest charges is substantial, but is largely absorbed in redemptions of serial bonds, which, however, eventually benefit the shares.

The first preference dividend was earned comfortably last year, and is expected to be covered by a substantial margin in the current year. The second preference shares, which are convertible share for share into common stock, are not paying dividends at the present. If the year turns out as favorably as has been expected, however, some distribution of the shares would not be unexpected.

Dividends up to 60 cents a share must be paid on the second preference before the common stock is entitled to a payment.

Capitalization—

	Authorized	Outstanding
1st pref. 6% Par $100.	$5,000,000	$3,884,850
2nd conv. pref. N.p.v.	400,000 sh.	363,732 sh.
Com. (n.p.v.)	400,000 sh.	137,784 sh.

Funded Debt—
1st mtge. serial bonds, 3%, due 1937-42, outstanding $1,080,000; 1st mtge. 4%, due 1951, $2,420,000.

Dividend Record—
1st preferred—6%, cumulative, payable 1st Jan., Apr., July and Oct.; paid regularly since Jan., 1928.
Second preference — None at present. Was 30 cents per share per annum. Initial dividend of 15 cents per share paid Jan. 2, 1928; increased to 20 cents sh. quarterly Apr. 1, 1929; increased to 25 cents quarterly July 1, 1930; decreased to 20 cents quarterly Apr. 1, 1931; decreased to 17 cents quarterly Jan. 2, 1932; reduced to 10 cents quarterly July 1, 1932; reduced to 20 cents Apr. 1, 1933. Increased to present rate of 7½ cents per sh. paid Apr. 2, 1934. A bonus of 10 cents was paid Jan. 2, 1934. Payments of 12½ cents made Jan. 2, 1935, and Apr. 1, 1935; 7½ cents July 2, 1935, and none since. A bonus of 2½ cents paid Jan. 2, 1935.
Common—None at present.

Subsidiaries—Wholly owned.
Canners Seeds, Ltd., Wellington, Ont.—Grows seeds for improvement of vegetables.
Pembroke Shook Mills, Ltd.—Makes boxes for canning and other industries at Pembroke, Ont.
Canners Machinery, Ltd. — Manufactures machinery and repair parts at Simcoe, Ont.
Wagstaffe, Ltd.—Hamilton, Ont.
Canadian Canners (Western) Ltd.—Operates 8 canning factories in B. C.

Head Office—Hamilton.

Officers and Directors—
Officers—Avern Pardoe, chm. of board; W. R. Drynan, pres. and gen. mgr.; C. E. Innes, vice-pres. and asst. gen mgr.; P. Croucher, sec.-treas.
Directors—Avern Pardoe, W. G. Lumbers, J. A. Northway, Toronto; W. R. Drynan, Aleck Leitch, Hamilton; Lt.-Col. W. G. MacKendrick, Oakville; W. L. Innes, C. E. Innes, Simcoe; E. A. Pearce, Picton; G. C. Edwards, Ottawa.

Times Interest Earned—
Year end. Feb. 28:

	1936	1935	1934
Before deprec. & after exch., int., etc.	4.18	3.20	*3.81
After deprec., exch., int., etc.	2.59	1.91	*2.62

*Includes premium on U. S. funds.

Earnings per Share and Dividend Record—

First preference:			
Earned	$7.79	$4.57	$8.83
Paid	6.00	6.00	6.00
Second preference:			
Earned*	0.19	nil	0.30
Earned†	0.19	nil	0.3[illegible]
Paid	0.20	0.37½	0.30

*Before (†after) taking into consideration dividend provision governing second preference and common shares.

Seven Years Earnings—
Year end. Feb. 28:

Year	*Earnings $	Dividends $	Surplus $
1930§	1,909,633	633,551	980,208
1931	1,025,037	739,591	851,382
1932	511,656	612,053	541,013
1933	729,017	451,267	393,531
1934	804,002	342,206	394,233
1935	621,842	369,479	499,824
1936	792,065	305,828	496,447

§Jan. 1, 1929, to Feb. 28, 1930.
*After taxes.

Market Record—

	*1936 H	*1936 L	1935 H	1935 L	1934 H	1934 L
Com.	7	4	6¾	3¼	8½	5
1st pref.	104⅛	88¾	94	75	94	75
2nd pref.	10	5	9⅜	4½	10½	7

*To Oct. 21.

Connors Bros.

Good Volume of Business to Date — Export Sales Feature

Connors Bros. report a good volume of business for the current year. This applies not only to the domestic business, but also to the export trade, on which the company is very largely dependent.

In connection with the increased output this year, the increasing marketing was particularly noticeable in exports to practically all countries, South Africa, Australia and New Zealand showing marked improvement.

At present Connors Bros. has an investment in the Black's Harbor plant and equipment amounting to about $1.4 million. Direct employment is provided for around 600 people, while indirectly some 1,500 fishermen are dependent upon the company for the sale of their catch.

Capitalization—

	Authorized	Outstanding
Pref. ($100 par)	$250,000	$250,000
Common (n.p.v.)	5,000 shs.	4,000 shs.

Funded Debt—
6½% first mortgage sinking fund coupon bonds, due 1938; $250,000 originally; outstanding, $10,000 redeemed each year through sinking fund.

Dividend Record—
Preferred—7% payable quarterly, Mar., June, Sept. and Dec. 1. Paid regularly.
Common—$5 paid in 1927; $6 in 1928; $7 in 1929; $8 in 1930; $4 in 1931; $2 in 1932 and $1.25 in 1933.

Head Office—Black's Harbour, N.B.

Officers and Directors—
Officers—A. N. McLean, pres.; L. V. Lingley, vice-pres.; A. M. A. McLean, treas.; J. M. Scovil, sec.
Directors—A. N. McLean, L. V. Lingley, J. M. Scovil, Saint John, N.B.; C. H. Easson, Toronto; A. M. A. McLean, Black's Harbour, N.B.; Hon. B. M. Hill, Montreal.

Empire Foods

Buys Former Associated Quality Canners

Empire Foods Corp., Toronto, early this year bought the assets of the former Associated Quality Canners. Empire Foods is controlled by Fine Foods of Canada, Ltd., Tecumseh, Ont.

The Fine Foods firm was established by John Wall, who was one of the originators in Associated Quality Canners, and is also backed by E. B. Cosgrove, Minneapolis.

Empire Foods has made no issue of securities to the general public, but is spending substantial amounts in renovating plants and re-organizing the business formerly known as Associated Quality Canners. The company's brand names are "Green Giant," "Del Maiz" and "Gerber's."

In the course of its expansion, Empire Foods is widening its sources of fancy fruits and vegetables.

British Big Cheese Eaters

Canada's annual consumption of cheese is slightly under 4 pounds per capita compared with 5½ pounds for New Zealand and over 9 pounds for Great Britain.

Canada Vinegars

Reduced 1935 Profit Leads to Lowering of Dividend

Canada Vinegars Ltd., Toronto, ordinarily has stable earnings from year to year, but suffered a decline of approximately 25% in net profits last year. Results for the year which runs to Nov. 30 are awaited with keen interest. The dividend has been reduced to $1.20 a share, in accordance with the decline in earnings, and it is believed earnings will cover the current year's payment.

In response to requests for quarterly or half-yearly earnings statements, shareholders were told at the last annual meeting that owing to the seasonal nature of the company's business interim reports would not show an accurate picture of operations.

Capitalization—

	Authorized	Outstanding
Com., n.p.v.	100,000 shs.	92,000 shs.

Dividend Record—
Common—Present rate $1.20 per share per annum, payable quarterly, Mar., June, Sept. and Dec. 1. Formerly $1.60, reduced to present rate by payment of 30c. Mar. 2, 1936.

Subsidiaries—
Western Vinegars Ltd.—Operates western plants of parent company in Winnipeg (2), Calgary, Edmonton and Vancouver. Capital stock: pref. 7% redeemable, cumulative, authorized $500,000, issued $311,600, $100 par; common, 15,000 n.p.v. shares authorized and issued, all of the common and all but 250 shares of preferred owned by parent company.
The Lion Vinegar Co. Ltd.—Operates plants in Quebec province, two in Montreal and one in Quebec City. Entire capital stock owned by parent company.

Head Office—112 Duke St., Toronto.

Officers and Directors—
Officers—C. L. Carsley, pres.; A. L. Spalding, vice-pres. and gen. mgr.; E. S. Scott, asst. gen. mgr.; F. H. Yapp, hon. sec.; Percy L. Howell, sec.-treas.
Directors — A. L. Spalding, P. L. Howell, W. E. Young, E. S. Scott, Toronto; C. L. Carsley, A. E. Mansfield, Montreal; E. A. Isard, F. H. Yapp, Hamilton; E. L. Isard, Winnipeg; E. W. Howell, C. Fry, Norwich, Ont.

Earn. per Share and Div. Record—

	1935	1934	1933
Com.: Earned	$1.22	$1.62	$1.73
Paid	1.60	1.60	1.60

Seven Years Earnings—

Year	*Earnings $	Dividends $	Surplus $
1929	249,363	147,200	156,285
1930	232,588	147,200	178,988
1931	251,390	147,200	200,463
1932	233,150	147,200	204,960
1933	249,494	147,200	217,304
1934	2[illegible]3,548	147,200	219,520
1935	[illegible]	147,200	184,769

*After all costs of operation, management, selling and office overhead expenses.

Market Record—

	*1936 H	*1936 L	1935 H	1935 L	1934 H	1934 L
Common	27¼	19⅞	29	23	27¼	21½

*To Oct. 20.

Canada Tea

Canada Tea Co. has continued in 1936 to give evidence of improved business by paying dividends. The first dividend paid since 1933 was 2% in Oct., 1935. Another dividend of 2% was paid in Feb. and also another Oct. 1, 1936.

Stock of Canada Tea Co. is closely held. The company deals in tea, coffee and spices both at wholesale and retail and operates branches in Ontario.

Capitalization—

	Authorized	Issued
Pref.. 7% cum.	$ 500,000	$171,400
Common	1,000,000	331,200

Par $100.
Thirty-six preferred and 18 common shares are held in trust for the company.

Dividend Record—
Preferred — Entitled to 7% per annum, cumulative, payable 1st Jan., Apr., July and Oct. As at June 1, 1935, arrears totalled 50½%. 2% paid Oct. 3, 1935 and Feb. 27, 1936.
Common—None since 1913.

Head Office—Toronto.

Officers and Directors—
Officers—C. J. Scandrett, pres. & man. dir.; J. H. Scandrett, vice-pres.; J. Hobson, sec.-treas., Toronto.
Directors—C. J. Scandrett, C. T. Stark, J. Hobson, J. H. Scandrett, S. B. Playfair, Toronto.

Holsum Packing

Holsum Packing Co. manufactures jams, jellies, pickles, sauces and canned fruit and vegetables. Its head office is at Lakefield, P.O., Victoria, B.C. It was incorporated in 1927 to acquire Holsum Products Co. The company has no funded debt.

Capitalization—

	Authorized	Issued
Pref., par $100	$50,000	$18,680
Common, par $1	50,000	23,289

Dividend Record—
Preferred — Entitled to 7% cumulative, payable June and Dec. 15; in arrears $7,192 as at Apr. 30, 1935.

Officers and Directors—
W. O. Wallace, pres.; A. H. Alexander, mgr.; J. E. Sladen, sec.; L. Batchelor, R. R. Taylor, W. Barrowclough, H. C. Oldfield.

Head Office—Victoria, B.C.

Broder Canning

Broder Canning Co. operates plants at New Westminster and Chilliwack, B.C., to can fruit, vegetables, soup, pork and beans and jam. Its head office is at New Westminster, B.C.

Capitalization—

	Authorized	Outstanding
Pref., par $100	$300,000	$150,000
Com., par $100	350,000	192,900

Funded Debt—
None.

Dividend Record—
Preferred—7% per annum, cumulative, payable Jan., Apr., July and Oct. 1. None since Apr. 1, 1921.

Head Office—New Westminster, B.C.

Officers and Directors—
F. D. Mathers, pres. and gen. mgr.; H. C. Wade, sec.-treas.; C. W. Moore, sales mgr.; C. H. Reed, L. A. Lewis.

Plan Cheese Week

"National cheese week" in Canada is to be held from November 7 to 14, as an endeavor to improve the dairy industry by promoting domestic consumption of cheese.

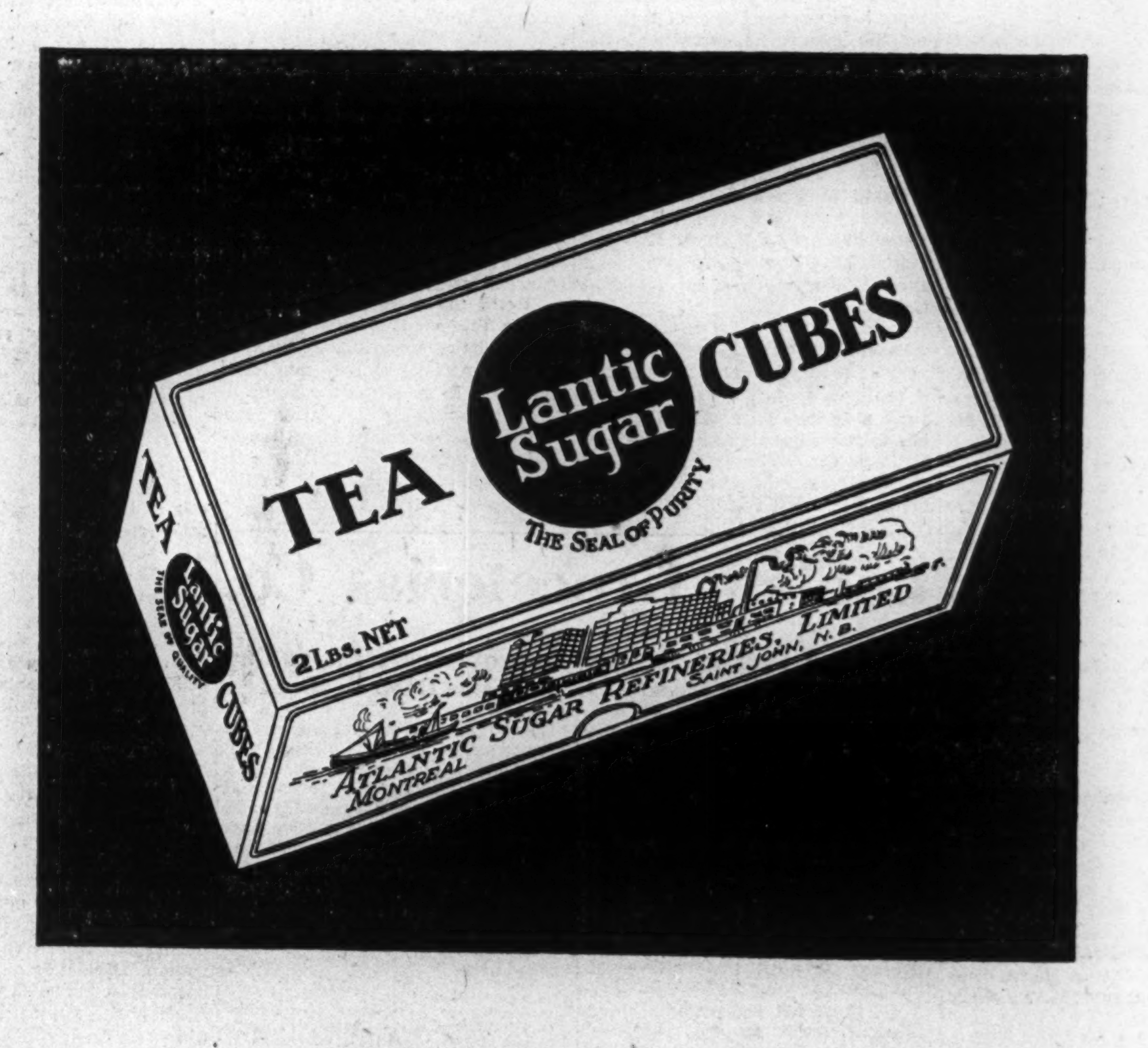
Enjoying Increasing Trade and Consumer Acceptance
"HIAWATHA" Brand
Canned and Dehydrated
• APPLES •
Canned Pears, Plums, String Beans
UNITED FRUIT
Companies of Nova Scotia
TRADE MARK
51 Co-operative Subsidiary Companies and 2 By-Products Factories
Head Office, KENTVILLE, Nova Scotia

More Than Twelve Thousand Independent Retailers Depend On "National" Service

As the largest distributor of grocery products in the Province, The National Grocers Company Limited is proud of the part it plays in assisting more than 12,000 independent retailers to bring the food products of the world to the homes of Ontario.

Through its system of 31 distributing warehouses located at strategic points throughout Ontario, "National" Service provides these independent grocers with all the economies and other advantages of speedy deliveries from near-at-hand sources of supply, thus helping to make these merchants more efficient and ready to meet modern competition. Through these great warehouses flows a vast and never-failing stream of the good things of the world to reach the ultimate consumer without waste of time and at a minimum of expense.

NATIONAL GROCERS COMPANY LIMITED
An Entirely Canadian Institution
Head Office:
21 Front Street East, Toronto
BOARD OF DIRECTORS
Archie Foster, President; M. D. Lemon, Vice-President; A. Marland Woolnough, Chairman; J. H. Simpson, T. H. Kinnear, Hon. George Gordon, A. J. Major, T. J. Medland, W. G. McLauchlan, W. H. Kenny and D. Blain.



"Lantic Sugar"
a trade name that inspires consumer confidence and sales
ATLANTIC SUGAR REFINERIES LIMITED
MONTREAL — SAINT JOHN

Lake of Woods Milling

Substantial Gain Reported in Earning Power — Steps Taken to Liquidate Dividend Arrears

Lake of the Woods Milling Co.'s financial statement for the 1936 fiscal year revealed a marked improvement in earning power, together with a strengthening of the balance sheet position. For the new year which has just started, the outlook is regarded as favorable.

Considerable investment interest now centres in this company. The improvement in earnings and working capital has not only enabled the company to re-establish dividends on its preferred stock, but has caused the management to take steps to liquidate the arrears which amount to around $28 a share. To this end an "extra" of $14 a share has been declared payable Dec. 1 next. It is believed the balance will be paid off if earnings in the 1936-37 year warrant such a move.

Capitalization— Authorized Outstanding
Pref. 7% cum. $1,500,000 $1,500,000
Par $100. Non-redeemable.
Com., n.p.v. .. 200,000 shs. 147,689 shs.

Funded Debt—
1st. mtge. bonds, 6%, due 1941, outstanding, †$4,000,000.
†Held by banks as collateral for loans.

Dividend Record—
Preferred—7% per annum, cumulative, payable, Mar., June, Sept. and Dec. 1. Paid regularly to and including Sept. 1, 1931; passed Dec. 1, 1931; $1.75 paid Dec. 16, 1935, and quarterly at that rate since. $14 arrears declared payable Dec. 1, 1936, leaving dividend in arrears $14.
Common—None at present. Formerly $3.20 per annum, payable Mar., June, Sept. and Dec. 1. Dividends were paid each year from 1904 to Dec. 1, 1930; none since.

Subsidiaries—(Wholly-owned):
Keewatin Flour Mills Co.
Medicine Hat Milling Co.
Sunset Manufacturing Co.—Winnipeg.
Dominion Flour Mills Co.—Montreal and Brantford.
Inter City Baking Co., Ltd.
Inter City Western Bakeries, Ltd.

Head Office—St. John St., Montreal.

Officers and Directors—
Officers—Col. Frank S. Meighen, pres. and man. dir.; Hugh MacKay, vice-pres.; C. H. G. Short, gen. mgr.; D. A. MacInnes, sec.; R. R. Hutchinson, treas.
Directors—Col. Frank S. Meighen, R. W. Reford, Walter Molson, Hugh MacKay, Rt. Hon. Lord Shaughnessy, P. F. Sise, J. W. Pyke, Hon. Rodolphe Lemieux, Montreal; N. J. Breen, I. Pitblado, G. W. Allan, Winnipeg; J. W. Hobbs, Toronto.

Earnings per Share and Dividend Record—
Years ended Aug. 31:

	1936	1935	1934
Pref.. Earned ..	$29.84	$21.50	$26.82
Paid	7.00	nil	nil
Com.: Earned* ..	2.32	1.47	2.01
None paid.			

*After allowing for full year's preferred dividend but before deducting preferred arrears.

Seven Years Earnings—

Year	*Earnings $	Dividends $	Surplus $
1929	906,941	572,532	1,000,518
1930	188,412	576,570	536,450
1931	†935,468	223,151	536,353
1932	511,728	......	604,888
1933	636,438	......	905,586
1934	803,261	......	1,307,957
1935	703,708	......	1,630,282

†Deficit. *After deduction of all operating expenses, provision for doubtful accounts and income tax.

Market Record—

	*1936 H	L	1935 H	L	1934 H	L
Com. ..	38	16⅛	18½	7	15	9⅞
Pref. ...	170	123	125	80	73	56

*To Oct. 22.

St. Lawrence Flour

Trend of Earnings Continues Upward — All Bonds Redeemed

Improvement in earnings reported by St. Lawrence Flour Mills for the year ended Aug. 31, 1936, has continued since then, according to D. A. Campbell, president of the company.

In the last fiscal year the company had a net operating profit of $210,628, as against $162,064. After prior charges, such as depreciation and income tax, earnings on the common stock were equivalent to $5.62 as against $2.91 in the 1935 fiscal year.

The 1936 balance sheet shows among liabilities a bank overdraft of $14,991 and a bank loan of $50,000, while accounts payable are doubled at $33,474. This is offset in part, by a reduction in funds on deposit from $74,115 to $30,106 and the wiping out of the funded debt, which stood at $52,000 at the end of the 1935 year.

Capitalization— Authorized Outstanding
Pref., par $100 .. $600,000 $575,000
Com., $100 par.. 1,200,000 1,200,000

Funded Debt—
None.

Dividend Record—
Preferred—7% per annum, cumulative, payable quarterly Feb., May, Aug. and Nov. 1. Paid regularly.
Common—$2 per annum, payable quarterly, Feb., May, Aug. and Nov. 1. Increased from $1.50 to $2 per annum with payment of 50c. on Nov. 1, 1934.

Head Office — 1110 Notre Dame St. W., Montreal.

Officers and Directors—
Officers — D. A. Campbell, pres.; T. Williamson, vice-pres. and man. dir.; D. M. Wilson, sec.; D. S. Thornton, treas.
Directors—C. E. Gravel, T. Williamson, J. Henri Labelle, J. J. McGill, C. H. Branchaud, G. W. Grier, Montreal; D. A. Campbell, Toronto.

Earnings per Share—

	1936	1935	1934
Pref.: Earned ...	$18.73	$13.08	$15.75
Paid	7.00	7.00	7.00
Com.: Earned ...	5.62	2.91	4.19
Paid	3.00	2.00	1.50

Seven Years Earnings—
Year end. Sept. 30:

Year	Earnings $	Dividends $	Surplus $
1930	105,017	40,250	*344,309
1931	90,266	40,250	*369,846
1932	107,838	40,250	*398,587
1933	115,824	58,250	*404,429
1934	146,136	58,250	427,800
1935	162,064	64,250	437,903
1936	210,628	76,250	466,504

*Subject to income tax in all years except 1934.

Market Record—

	*1936 H	L	1935 H	L	1934 H	L
Com.	60	40	39½	30	45	33
Pref.	135	120	125	113	101¼	96

*To October 20.

Olives and Almonds Scarce

Military disturbances in Spain have caused shortages at times in supplies of almonds and olives for the Canadian market. Seville oranges have also been short.

Western Can. Flour

Results Better But Working Capital Requires Improvement

Western Canada Flour Mills Co. reports improvement in earnings in the year ended July 31, 1936, but profits amounted to only $1.59 a share on the preferred stock.

While volume of sales has not increased materially in the flour milling trade, improved prices have allowed the companies a slightly wider margin of profit. This development occurred rather late in the 1935-36 year, so that it is believed further improvement may be possible in 1936-1937 even with only a modest increase in volume.

Special Reserve

The company this year set up a special reserve of $597,000 to take care of revaluation of bakery properties, this being drawn from earned surplus except $125,000 from general reserve. Prospects are described as good for improved earnings in the company's subsidiary, Purity Baking Co. As to the Dominion Salt Co., Mr. Hanna states unsettled prices have continued.

Owing to reduction of working capital in the depression, the question of preferred dividends remains in abeyance.

Capitalization— Authorized Outstanding
Com., n.p.v. ... 150,000 shs. 135,000 shs.
Pref., 6½% cum. $3,000,000 $2,413,000
$100 par.

Funded Debt—
None.

Dividend Record—
Preferred—None at present. Entitled to 6½% cumulative, payable Mar., June, Sept. and Dec. 15. Initial dividend of $1.62½ per share paid June, 1926, and regularly to and including Dec., 1932; quarterly payments of 75c. paid regularly to Mar., 1935, none since. In arrears $17.06⅓ per share as at July 31, 1936.
Common—None at present. Dividends pa'd on common from 1906 to 1931. Rate was $1.40 per annum quarterly from 1926 to Mar. 31, 1931; none since.

Subsidiaries—
(Entire capital stock owned)
The Brackman-Ker Milling Co., Ltd.
Purity Flour Mills, Ltd.
Purity Baking Company, Ltd.
The Dominion Salt Co.

Head Office — 293 Macpherson Ave., Toronto.

Earnings per Share and Dividend Record—

Year end. July 31:	1936	1935	1934
Pref.: Earned	$1.59	nil	*$6.13
Paid	nil	$1.50	3.00

*After taking into consideration transfer from general reserve.

Officers and Directors—
Officers—D. B. Hanna, pres.; A. J. Mitchell, vice-pres.; R. G. O. Thompson, sec.; J. S. Anderson, treas.; J. J. Page, gen. mgr.; J. W. Horn, asst. gen. mgr.
Directors—D. B. Hanna, A. J. Mitchell, Sir John Aird, R. G. O. Thomson, J. J. Page, J. H. Gundy, Toronto; Senator G. H. Barnard, R. H. B. Ker, Victoria; J. A. Kilpatrick, Montreal; J. Davidson, London, Eng.

Seven Years Earnings—

Year	*Earnings $	Dividends $	Surplus $
1930	221,416	321,893	905,135
1931	175,431	252,249	828,317
1932	136,885	156,845	808,357
1933	114,308	93,504	829,161
1934	147,996	72,390	904,767
1935	†52,356	36,195	816,216
1936	38,401	......	294,616

*After depreciation, income tax and reserve for doubtful accounts, etc.
†11 months ended July 31.

Market Record—

	*1936 H	L	1935 H	L	1934 H	L
Com.	10⅛	4½	7	2¾	8½	6
Pref.	70	36	57	20	62	48

*To Oct. 20.

Ogilvie Flour Mills

Earnings on Common Show Big Gain in 1936—Large Profit Reported on Investments

Ogilvie Flour mills gross profits during the year ended Aug. 31 last totalled over $1.4 million, as against $1.2 million in the previous 12 months. The improvement was largely a result of a gain in dividends from wholly-owned subsidiaries and profits on realization of fixed assets and investments sold, as the profits from milling operations declined during the year from $914,584 to $821,487.

Over a period of years Ogilvie Flour has built up a very strong investment account which has come to figure prominently in revenues and in balance sheet position. At the end of August the company had investments in bonds, preferred and common stocks, as well as in wholly-owned subsidiaries, totalling $5 millions, on which the fair market value was nearly $9.2 millions. This contrasts with a book value of about $5 millions and a market value of around $7.5 millions at the end of Aug., 1935. In addition, the company has other investments in partially-owned subsidiary companies and elsewhere of approximately $1.6 million, or about the same as reported in 1935.

In connection with these investments the management reports the considerable increase in the fair market value was not taken up in the account and the present surplus over book values, constitutes a substantial margin against possible future decline.

Capitalization— Authorized Outstanding
Pref. 7% cum. .. $2,000,000 $2,000,000
($100 par).
Common (n.p.v.) 75,000 shs. 75,000 shs.
Preferred is not callable.

Funded Debt—
None.

Dividend Record—
Preferred—7% cumulative, payable 1st Mar., June, Sept. and Dec.; paid regularly since 1902.
Common—Present rate $8 per annum, payable 1st Jan., Apr., July and Oct. Bonus also paid on common from 1916 to 1930, excepting 1921; no bonus since.

Subsidiaries—
Ogilvie Grain Co.
Seaforth Milling Co., Ltd.
Glenora Securities Inc.
The Tree Line Navigation Co. Ltd.
Consolidated Bakeries of Canada, Ltd.

Head Office—Montreal.

Officers and Directors—
Officers—J. W. McConnell, pres.; R. R. Dobell, vice-pres.; G. A. Morris, gen. mgr.; J. C. McLaughlin, treas.; H. K. Hepburn, sec.; H. Cranfield, asst. sec.-treas.
Directors—Sir Montague Allan, G. A. Morris, R. R. Dobell, Sir C. B. Gordon, Sir Herbert S. Holt, E. B. Hosmer, J. W. McConnell, Beaudry Leman, Montreal; S. T. Smith, Winnipeg; F. K. Morrow, Toronto.

Earnings per Share and Dividend Record—
Year end. Aug. 31:

	1936	1935	1934
Pref.: Earned ..	$46.54	$37.17	$37.34
Paid	7.00	7.00	7.00
Com.: Earned ...	10.55	8.05	8.09
Paid	8.00	8.00	8.00

Seven Years Earnings—

Year	*Earnings $	Dividends $	Surplus $
1930	1,127,436	1,115,000	3,157,149
1931	755,149	740,000	3,172,298
1932	744,936	740,000	3,177,235
1933	747,771	740,000	2,179,556
1934	746,749	740,000	2,186,305
1935	743,498	740,000	2,189,803
1936	930,824	740,000	2,310,628

*After depreciation and bond interest.

Market Record—

	*1936 H	L	1935 H	L	1934 H	L
Com. ...	240	199⅞	201	140	209	180
Pref. ...	165	152	152	130	140	125

*To Oct. 22.

International Milling

New Financing Improves Already Strong Position of American-Canadian Flour Firm — Record Impressive

International Milling Co., as its name implies, has plants both in Canada and in the United States and does in both countries both a domestic and export business. The company has maintained for a long period an excellent financial position and has been able to pay dividends on its preferred and common stocks throughout the depression.

The company produces hard wheat flours, oatmeal, rolled oats, cornmeal, corn flour, chicken poultry feeds and by-products under the trade name "Robin Hood Oats." The business in Canada is conducted entirely by a subsidiary, Robin Hood Mills, Ltd.

Canadian mills are at Calgary, Alta., Moose Jaw and Saskatoon, Sask. United States mills are at New Prague, Minn.; Greenville, Texas; Davenport and Sioux City, Iowa, and in Buffalo, N.Y. The company improved its capital position by calling all outstanding first preferred stock for redemption Oct. 15, 1935, and the 6% series A as well. The new first preferred is on a 5% basis.

Capitalization— Authorized Outstanding
1st pref., 5% ... $6,000,000 $4,500,000
2nd pref. .... 1,000,000 nil
Par $100.
Common, n.p.v. 150,000 shs. 100,000 shs.

Funded Debt—
None.

Dividend Record—
First pref. (original series)—5% per annum, cumulative from Oct. 15, 1935, payable quarterly, Jan., April, July, and Oct. 15. Initial dividend of $1.25 paid Jan. 15, 1936.
Common—Paid annually in December: $5 per share paid Dec., 1929 and 1930; $4, 1931; $4.25, 1932; $5, 1934.

Subsidiaries—
Robin Hood Mills Ltd.—Entirely owned subsidiary. Mills located at Calgary, Moose Jaw and Saskatoon.
Lake and Rail Warehouse and Elevator Corp.

Head Office—Flour Exchange Bldg., Minneapolis, Minn.

Officers and Directors—
Officers—W. L. Harvey, pres.; F. A. Bean, vice-pres. and gen. mgr.; J. R. Morris, vice-pres.; F. V. Spofford, sec.; H. F. Marsh, treas.
Directors—F. A. Bean, W. L. Harvey, H. F. Marsh, J. R. Morris, F. V. Spofford, all of Minneapolis, Minn.; J. J. Kovarik, Buffalo, N.Y.; C. Ritz, Montreal.

Earnings per Share and Dividend Record—

Earned:	1935	1934	1933
5% 1st pref., new	$28.81	....	....
7% & 6% pref., old*	30.72	$34.23	$27.06
Common†	10.71	11.66	8.86
Paid:			
5% 1st pref., new	nil	....	....
7% pref., old	7.00	7.00	7.00
6% pref., old	6.00	6.00	6.00
Common	5.00	4.25	4.00

*Based on the total number of preferred shares outstanding; 1935 earnings shown for comparison only.
†Based on shares outstanding; common earnings in 1935 under old capitalization would have been $10.18 per share.

Seven Years Earnings—

Year	Earnings $	Dividends $	Surplus $
1929	1,564,720	949,114	5,596,146
1930	1,463,694	828,329	6,398,295
1931	1,307,314	807,093	6,917,478
1932	1,125,576	796,810	6,824,059
1933	1,169,095	683,143	7,450,108
1934	1,444,254	703,388	8,218,290
1935	1,296,471	778,508	8,090,020

Market Record—

	*1936 High	Low	1935 High	Low
1st pref.	105¾	101	105½	99

*To Oct. 20.

Inter City Baking

Dividend Payments on Common Restored as Income Moves Ahead

Inter-City Baking Co., subsidiary of Lake of the Woods Milling Co., has reported a steady improvement in earning power. As a result dividend payments have been restored on the common stock.

Capitalization— Authorized Outstanding
Com., par $100 .. $4,000,000 $2,114,500

Funded Debt—
First mortgage, series A, 5½%, due 1948; outstanding $1,447,500.

Dividend Record—
Common—Initial dividend of 4% paid Mar. 11, 1929; 4% paid Mar. 27, 1930; 2% Aug. 25, 1930; Mar. 31, Aug. 27, 1931, and Mar. 23, 1932; none thereafter until 1% paid Aug. 1, 1935; 1% paid Aug. 1, 1936.

Subsidiaries—(Wholly-owned)—
Brown's Bread Ltd. — West Toronto, North Toronto, and Hamilton.
Standard Bread Co., Ltd.—Ottawa.
Standard Bread (Montreal) Ltd.
A. & L. Strachan Ltd.—Montreal.

Head Office—460 St. John St., Montreal.

Officers and Directors—
Officers—Col. F. S. Meighen, pres.; J. W Pyke, vice-pres.; C. H. G. Short, gen. mgr.; R. R. Hutchinson, sec.-treas.; D. A. MacInnes, asst. sec.-treas.
Directors—Col. F. S. Meighen, Hugh MacKay, C. H. G. Short, D. A. MacInnes, R. W. Reford, J. W. Pyke, Montreal; R. G. Cowan, Toronto; C. W. Cotter, Ottawa.

Times Interest Earned—

Year end. Jan. 31:	1936	1935	1934
Before deprec. ...	3.04	2.90	2.58
After deprec.	1.79	1.68	1.39

Earnings per Share and Dividend Record—

Com.: Earned	$3.01	$2.66	$1.54
Paid	1.00	nil	nil

Seven Years Earnings—
Year end. Jan. 31:

Year	*Earnings $	Dividends $	Surplus $
1930	287,575	85,180	79,355
1931	316,254	85,180	122,429
1932	331,643	85,180	125,212
1933	210,331	......	105,260
1934	216,472	......	137,782
1935	232,729	......	197,732
1936	285,219	21,145	240,301

*After deducting all expenses of operation and income tax.

Market Record—

	*1936 H	L	1935 H	L	1934 H	L
Common	33	19	20½	17	17¼	14

*To Oct. 20.

Maple Leaf Milling

More Favorable Flour Markets Allow Improved Results But Problem is Recovery of Liquid Position

More favorable conditions in domestic and export markets enabled Maple Leaf Milling Co. to more than double operating earnings in the year ended July 31, 1936.

Earnings were sufficient to cover all depreciation, and the portion of bond and bank interest paid in cash. Under the recent reorganization, however, half the bond interest and a large part of bank interest is payable by issue of class A shares. A charge is made in income account for this issue of stock, which resulted in another deficit for 1936. However, this does not prevent the company improving its working capital position as long as cash interest is earned, so that the excess of current liabilities over current assets was reduced to $611,643 in 1936, compared with $858,813 in 1935.

Problem of Liquidity

In addition to its deficiency in working capital, the company has a bank loan for approximately $2 millions which is deferred so as not to appear as a current liability. The company's problem in the next 2 years is to realize earnings sufficient to eliminate the working capital deficiency and to cover its bank borrowings. Meanwhile, cash interest on the 5% bonds is limited to 2¾%. And no dividends are in sight for the class A shares that are being issued to bondholders in lieu of the other half interest.

D. Campbell MacLachlan, newly appointed president of the company, entered the management after the company got into difficulties 5 or 6 years ago. He has been in the flour and grain trade over 30 years. He pointed out at the recent annual meeting that expenditures for equipment will be required in the next few years.

The company's only steamship, the Benmaple, was recently sunk in collision in the St. Lawrence River. The hull and cargo were insured, so that any amount realized from this accident will contribute to improvement in working capital. If realization is eventually made on assets of Dominion Bakeries, this will also strengthen the working capital position.

Capitalization— Authorized Issued
Cl. A pfd., n.p.v. 100,000 shs. 57,665 shs.
Com., n.p.v. ... 300,000 shs. 250,000 shs.
Management shs. 3 shs. 3 shs.

Funded Debt—
First mortgage bonds 5½%, due 1949, outstanding $4,620,500.

Dividend Record—
None paid on new stock.
Class A—Entitled to 70 cents a share annually, cumulative after Dec. 1, 1938, also entitled to participate equally, share-for-share, in any further dividends.
Class B—Participates equally share-for-share, after 70 cents paid on Class A in any year.

Subsidiaries—
Canada Bread Co., Ltd.
Canadian Bakeries, Ltd.
Dominion Bakeries, Ltd.
Hedley Shaw Milling Co., Ltd.
The Campbell Flour Mills Co., Ltd.
Eastern Bakeries, Ltd.
Port Colborne and St. Lawrence Navigation Co., Ltd.

Head Office—68 Yonge St., Toronto.

Officers and Directors—
Officers — D. Campbell MacLachlan, pres and gen. mgr.; C. W. Band, vice-pres.; G. H. Hand, sec.
Directors — D. Campbell MacLachlan, C. W. Band, R. S. Waldie, J. L. Henderson, A. C. Matthews, Toronto; E. R. Decary, Montreal;; E. E. Buckerfield, Vancouver, H. E. Sellers, Winnipeg.

Times Bond Interest Earned—

Year end. July 31:	1936	1935	1934
Before deprec. ...	1.30	0.55	1.14
After deprec.	0.81	0.08	0.64

Seven Years Earnings—

Year	Earnings $	Dividends $	Surplus $
1930	*2,868,551	313,648	102,888
1931	741,571	......	639,677
1932	265,863	......	409,090
1933	312,930	......	229,468
1934	369,949	......	691,350
1935	193,886	......	298,952
1936	458,807	......	175,895

*For 16 months.

Market Record—

	*1936 H	L	1935 H	L	1934 H	L
Cl. A pref.	4	1	5	1	5	4
Common ..	10	2	1.65	40	1¾	1

*To Oct. 20.

Eastern Bakeries

Maritime Bread Firm Dividends Paid By Parent Company

Eastern Bakeries Ltd., operating in New Brunswick and Nova Scotia, is controlled by Maple Leaf Milling Co. The baking company has been unable to earn its preferred dividend, and cash payments have been reduced to 3¼%, which is being paid by Maple Leaf Milling Co. under guarantee. In addition to the guarantee of 3¼% preferred shareholders received 3⅓ class A shares of Maple Leaf Milling preferred stock for each old preferred share. There is no early prospect of dividends on the Maple Leaf Class A stock, but there has been considerable appreciation in market value this year.

Eastern Bakeries
(Controlled by Maple Leaf Milling Co.)

Capitalization— Authorized Outstanding
Pref., par $100... $500,000 $500,000
Com., n.p.v. ... 30,000 shs. 30,000 shs.
1,000 pref. shs. and 25,100 com. shs. owned by Maple Leaf Milling Co.

Head Office—Saint John, N.B.

Officers and Directors—
Officers—T. Moffett Bell, pres.; J. B. Dever, sec.; G. G. Anglin, gen. mgr.; all of Saint John, N.B.

Dividend Record—
Preferred—Entitled to 6½% per annum, payable Jan., Apr., July and Oct. 15; dividend of 3¼% per annum guaranteed from Oct. 15, 1934 to Jan. 15, 1944, by Maple Leaf Milling Co. Ltd., payments at the rate of 3¼% per annum have been made to date.

Viau's New Shares Listed in Montreal

From Our Own Correspondent

MONTREAL.—New common and preferred stock of Viau Ltd. have been called for trading on the Montreal Stock Exchange on a "when, as and if issued" basis. The old shares have been removed from the list.

The new listing covers 9,460 shares of $100 par value each of 5% cumulative redeemable first preferred stock and 44,920 shares of no par value common stock.

Success Depends on Profits --- Profits on Sales --- Sales on Human Needs --- and the Greatest of these is FOOD!

FOOD

The Largest Per Capita Purchasing Market in Canada is MONTREAL

$125.00 *per annum for every Man, Woman and Child*

In Greater Montreal alone (approximately the Island of Montreal and 60.8% FRENCH) retail FOOD sales average $125.00 per year for every man, woman and child — a higher figure than for any other metropolitan district of comparable size.

From the widely known St. Catherine Street, in the metropolis, to the general stores at rural cross roads throughout the Montreal Market District, retail merchants are keyed to today's merchandising, and eager to supply demand for packaged goods of standard quality.

Three million a week for FOODS . . . that's a lot of money. . But the government figures are for FOODS only and do not include the many other staple products handled by every grocery store!

Compared town with town, county with county, the average per capita retail sales throughout the Montreal Market District compare very favorably with anywhere in Canada.

In many of the industrial cities, towns and the rural areas surrounding Montreal, as high as 90 per cent. of the people are FRENCH. This FRENCH market responds excellently to sales and advertising plans fitted to its needs.

MONTRÉAL MARKET DISTRICT

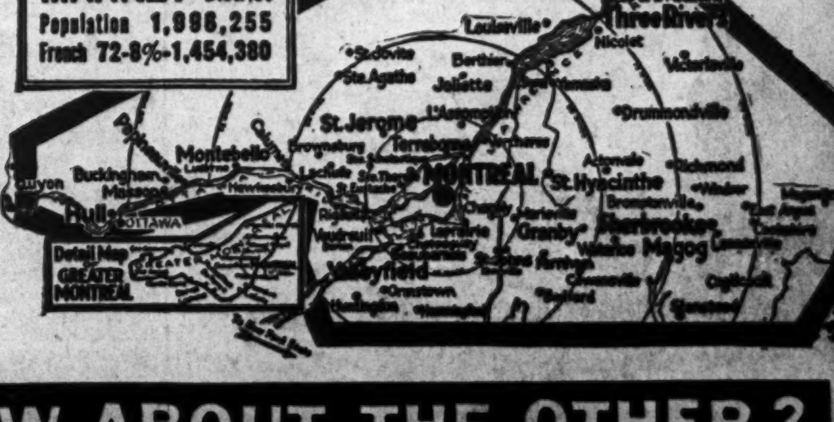
1,996,255 - 72.8% French

Purchases FOOD to the value of

$3,000,000 a week!

• These figures are taken from the analyses made by the Department of Trade and Commerce, Dominion Bureau of Statistics in 1930 Census report.

For full information on marketing conditions write the Business Manager, LA PRESSE, (Canada's French National Newspaper) Montreal or
S. L. Rees, 213 Metropolitan Bldg., Toronto, Ontario.
The Clougher Corporation Ltd., 28 Craven St., London, W.C. 2.
William J. Morton Co., New York Office: 200 Fifth Avenue. Chicago Office: 410 N. Michigan Avenue.



YOU MAY BE STRONG ENOUGH IN ONE LANGUAGE, HOW ABOUT THE OTHER?

Consolidated Bakeries

Earnings Have Improved Steadily For 4 Years Permitting Increased Dividends Payments

Improved earnings have been shown by Consolidated Bakeries of Canada for each of the last four years. Net earnings in 1935 amounted to $474,216 as compared with $358,823 in 1934. Net profit was equal to 90 cents a share in that year as compared with 60 cents a share in 1934.

Common stock represents the only security of the company with the exception of 3 management preferred shares. The company has no funded debt, bank loans or mortgages. The company has a strong liquid position and investment holdings of more than $1.1 million are a strong protection against temporary reverses. Improvement in consumer purchasing power has been reflected in the company's earnings. Its prospects depend on continuance of general business improvement.

The company is controlled through management shares of Ogilvie Flour Mills Co. It operates a group of 12 bakeries in Ontario and Quebec.

Capitalization—

	Authorized	Outstanding
Mgmt. pref. ...	3 shares	3 shares
(No par value).		
Com., n.p.v. ...	499,997 shs.	318,440 shs.

Funded Debt— None.

Dividend Record— Present rate 80 cents per share payable Jan., Apr., July and Oct. 1. $2 per annum paid from Apr. 1, 1929, to Apr. 1, 1930; $1 p.a. paid from July 1, 1930, to Apr. 1, 1932; 12½ cents paid July 1, 1932; 25 cents per share paid Apr. 3, 1934; placed on present basis with payment of 20 cents Jan. 2, 1935; 10 cents bonus paid Jan. 2, 1936.

Subsidiaries— Northern Bakeries Ltd.—Wholly owned subsidiary which operates the company's bakeries, consisting of:

James Strachan, Ltd., Montreal; James M. Aird, Ltd., Montreal; Dent Harrison & Sons, Westmount, Que.; Neal Baking Co., Windsor, London, St. Thomas and Sarnia, Ont.; Ideal Bread Co., Ltd., Toronto and Hamilton; Nasmiths Ltd., Toronto; Stocks Bread, Ltd., Peterborough, Ont.; Norris Bros. Ltd., St. Thomas, Ont.; Palmer Baking Co., Ltd., Chatham, Ont.

Head Office—Montreal.

Officers and Directors—

Officers — J. Turnbull, pres.; R. McMullen, vice-pres. and gen. mgr.; W. O. Thompson, gen. supt.; H. S. Pratt, treas.; H. O. Neale, sec.

Directors—W. A. Black, R. R. Dobell, Sir Herbert Holt, G. A. Morris, J. W. McConnell, Montreal; J. F. Lash, F. K. Morrow, F. G. Osler, J. Turnbull, Toronto.

Earnings per Share and Dividend Record—

	1935	1934	1933
Earned	$0.90	$0.60	$0.29
Paid	0.80+.10	0.20	†0.25

†Paid Apr. 3, 1934.

Seven Years Earnings—

Year	*Earnings $	Dividends $	Surplus $
1929	692,625	636,404	272,376
1930	275,269	398,066	151,447
1931	367,082	318,453	184,596
1932	9,916	119,422	80,074
1933	93,928	79,610	94,392
1934	192,724	63,789	223,426
1935	287,152	286,599	223,980

*After depreciation and income tax.

Market Record—

	*1936 H	L	1935 H	L	1934 H	L
Com. ..	20¼	15¾	17½	11¼	12¼	7

*To Oct. 20.

Burry Biscuit

Initial Year Holds Promise — Operates in U. S. Markets

Burry Biscuit Corp. is a newcomer for Canadian investors, the shares having been listed on the Toronto Stock Exchange only this year. The first annual statement will be for the 10 months ending Oct. 31, 1936, and will, therefore, only reflect part of a full year's earnings.

Profits from Jan. 11 to Aug 22, 1936, amounted to $125,092. This was equivalent to $12.50 a share on the $50 preferred stock and 28 cents a share on the common. It is believed earnings for a full 12 months, including the increased seasonal volume of Nov. and Dec., will be about 50 cents a share.

Chicago and Linden

The company manufactures and markets "Educator" crackers and English-type fancy biscuits in the United States. Educator Biscuit Co., a subsidiary which is 81¼% owned by Burry Biscuit Corp. operates the Chicago plant. The Burry Biscuit plant is at Linden, New Jersey, and capacity has recently been doubled by installation of a new oven, said to be the largest of its kind in the world. Burry Biscuit Corp. (Western) is wholly owned and is a distributing company for the middle west.

Sales are expected to reach approximately $3 millions for a full 12 months, and the management believes considerable expansion is possible. Working capital is regarded as ample.

Capitalization—

	Authorized	Outstanding
Com., par 12½c.	480,000 shs.	400,000 shs.
Pref., par $50...	$500,000	$500,000

The par value of the common shares was changed to 12½ cents per share from 50 cents per share by shareholders' vote August 11, 1936, four shares of 12½ cents par being given for 1 old share.

Funded Debt— None.

Dividend Record— Preferred—Entitled to 6% per annum ($3 per share) payable quarterly, cumulative from Jan. 1, 1936. First payment made July 1, 1936, amounted to $1.50, representing payment for two quarters. Now on regular basis. Payable—Jan., April, July and Oct. 1.
Common—None paid to date.

Officers and Directors—

Officers—G. W. Burry, pres.; G. W. Fraser, vice-pres. & treas.; D. H. Mahan, vice-pres.; J. M. Keyser, sec. & asst. treas.; L. B. Filbrandt, asst. sec.

Directors—G. W. Burry, Linden, N.J.; G. W. Fraser, Chicago; S. C. Ross, Buffalo; L. B. Filbrandt, Chicago; J. B. White, Toronto.

Head Office—Linden, N.J.

Subsidiaries—

Educator Biscuit Co., Delaware incorporation May, 1933.

Burry Biscuit Corp. (Western) Delaware incorporation Nov., 1934.

Market Record—

	1936 High	Low
Common	9¾	6¾
Preferred	75	.51

George Weston, Ltd.

Biscuit and Bread Concern Continues Expansion in 1936 — Refinances Preferred and Sells British Interests

Geo. Weston Ltd. has continued expansion in 1936. The capacity of the United States plant at Passaic, N.J., was increased by 30% and a new biscuit plant was completed and opened at Battle Creek, Mich.

The new caramel department of Wm. Paterson, Ltd., Brantford, wholly-owned subsidiary, has been working at capacity. More equipment has been added.

Substantial improvements were reported in biscuit, bread and candy departments, both in Canada and United States for the first 9 months in 1936. In the second quarter a 53% increase in profits was reported and that gain in volume is being maintained to date in the second half of 1936. Dividend was increased earlier in the year and directors will meet again before the end of the year to consider dividend policy.

Bread, biscuit, cake and chain store business was developed in England to a large extent under the aegis of the company and under the special personal direction of Garfield Weston. The company's direct interest has been sold to shareholders, however, and all the British enterprises are being conducted separately now.

Capitalization—

	Authorized	Outstanding
Common, n.p.v.	500,000 shs.	375,882 shs.
Pref., par $100 ..	$1,750,000	$1,750,000

Funded Debt— None.

Dividend Record— Preferred — 5% per annum, cumulative from Feb. 1, 1936, payable quarterly Feb., May, Aug. and Nov. 1. Initial dividend of $1.25 paid May 1, 1936. Dividends on old 7% preferred were paid regularly from May 1, 1928, the date of the initial payment.
Common — Present rate 80c. per share per annum. Increased from 60c. with payment of 20c. July 1, 1936. $1 was paid on the old stock before the 2-for-1 split in 1934 and the same rate paid on the new shares to the time of the 2-for-1 split in 1935. Initial payment of 15c. on the present stock made Oct. 1, 1935. Dividends payable quarterly on Jan., Apr., July and Oct. 1.

Subsidiaries—

William Paterson, Ltd. — Brantford, Ont. All common stock held by parent company.

Weston Biscuit Co., Ltd.—Manufactures Weston's biscuits in United States. Controlled through ownership of all but 32 shares common stock.

George Weston Bread & Cakes, Ltd.—Operates under different names throughout Ontario.

Independent Biscuit Co., Ltd.—Manufactures biscuits, etc., in Calgary, Alta., and acts as a sales outlet for George Weston Ltd. Outstanding stock, $150,000 7% first preferred; $57,700 7% second preferred and 5,000 no par value common shares of which $85,700 first preferred, $57,700 second preferred and 4,154 common shares are held directly and indirectly by parent company.

Head Office—134 Peter St., Toronto.

Officers and Directors—

Officers—Bernard E. Smith, chm. of board; W. Garfield Weston, pres. & man. dir.; F. W. St. Lawrence, vice-pres. and gen. mgr. in charge of Canadian operations; R. E. Watson, vice-pres. and gen. mgr. in charge of U. S. operations; C. W. Kerr, sec. and counsel; R. A. Robertson, treas.

Directors — Bernard E. Smith, chm., New York; W. Garfield Weston, Eastbourne, Eng.; F. W. St. Lawrence, C. W. Kerr, R. A. Robertson, J. A. Gairdner, Toronto; R. E. Watson, Passaic, N.J.

Earnings per Share and Dividend Record—

	1935	1934	1933
Pref.: Earned	$32.06	$30.46	$32.00
Paid	7.00	7.00	7.00
Com.: Earned ..	1.08	2.08	2.58
Paid	‡0.80	1.00	1.00

‡30c. on new and 50c. on old.

Seven Years Earnings—

Year	Earnings $	*Dividends $	Surplus $
1929	152,930	68,534	232,791
1930	210,431	113,000	262,946
1931	153,963	115,094	282,065
1932	137,322	117,347	285,224
1933	342,175	133,253	652,879
1934	672,871	253,778	874,408
1935	736,992	279,385	1,065,958

*Includes dividends of subsidiaries.

Market Record—

	*1936 H	L	1935 H	L	1934 H	L
Common	19¾	13⅛	17	13¾	†47⅝	28
Pref. ..	108	98	115	108	110	88

*To Oct. 22. †New.

Thrift Stores Limited
—and—
Stop and Shop

A Canadian-Owned Chain of

179

MEAT - FISH - GROCERY AND VEGETABLE STORES IN TORONTO - MONTREAL AND OTTAWA

960 Outremont Avenue, Montreal

1385 Bloor Street W., Toronto

Inter City Western

Moderate Betterment in Position—Pay Half-Year Bond Interest

Some progress has been made in putting the affairs of Inter-City Western Bakeries on a sounder footing, but the changes have not been of a major character. The difficulties confronting the company are of a character that not a great deal can be done except to wait for an improvement in business conditions in the territories in which the company operates.

In the year ending last February the company reported a net revenue of $78,986, as compared with $58,947 in the previous 12 months. This was less than required to cover bond interest payments. However the company paid the half year's interest due May 1, 1933, on May 1, 1936.

Capitalization—

	Authorized	Outstanding
Pref., par $10 ..	$390,000	$390,000
Com., n.p.v. ...	200,000 shs.	*130,000 shs.

*Over 88% owned by Lake of the Woods Milling Co.

Funded Debt— 6½% 1st mtge. S. F. bonds, series A, due 1950, outstanding $1,456,200. Interest due May 1, 1933, was not paid and the default on this and subsequent coupons lasted until May 1, 1936, at which time the coupon due May 1, 1933, was honored; to date, subsequent coupons are still in default.

Dividend Record— Preferred — 6% per share per annum, cumulative from May 1, 1930, payable half-yearly, May and Nov. 1. None paid to date.
Common—None paid to date.

Head Office—666 Elgin Ave., Winnipeg.

Officers and Directors—

Officers—Hugh Mackay, pres.; W. R. Aird, vice-pres.; W. Ross Grant, sec.-treas. and act. gen. mgr.; J. A. Weldon, asst. sec.-treas.

Directors—Thomas Cull, J. B. Faulkner, Winnipeg; Hugh Mackay, M. A. Thomson, W. R. Aird, W. C. Pitfield, Montreal.

Times Bond Interest Earned—

Years ended:	Feb. 1 1936	Feb. 2 1935	Jan. 27 1934
After other int. & before deprec. ...	0.57	0.27	0.27
After other int. & after deprec. ...	0.04	nil	nil

Earnings per Share and Dividend Record— Pref. & Com.: None earned or paid.

Six Years Earnings— Years ended Jan. 31:

Year	Earnings $	Dividends $	Deficit $
1931	105,299	......	54,334
1932	86,819	......	121,905
1933	47,567	......	257,237
1934	25,541	......	374,017
1935	25,983	......	494,507
1936	53,890	......	589,270

Canadian Bakeries

Earnings Pay Bond Interest But Nothing on Preferred

Canadian Bakeries Ltd., controlled by Maple Leaf Milling Co., has had net earnings sufficient to cover bond interest, but before depreciation, in the last 2 years. After charging depreciation, earnings have fallen short of bond interest, but still have allowed improvement in working capital. There is no prospect of early dividends on preference shares.

The company manufactures and distributes, both wholesale and retail, all kinds of bakery products. Plants are located in major cities in British Columbia, Alberta and Saskatchewan. No earnings have been shown on the first preferred shares since 1929.

Capitalization—

	Authorized	Outstanding
1st pref. 7% cum.	$1,000,000	$ 913,000
2nd pref. 7% cum.	1,000,000	1,000,000
Par $100.		
Common A	20,000 shs.	20,000 shs.
Common B*.....	20,000 shs.	nil
No par value.		

*Authorized for conversion of 2nd pref.

Funded Debt— 6½% first mortgage sinking fund bonds, due 1945, outstanding $824,900.

Dividend Record— First and second preferred: Entitled to 7% cumulative, payable 15th Mar., June, Sept. and Dec. First preferred, paid regularly from 1925 to Mar., 1931; reduced to $4 with payment of $1 June 15, 1931; passed Dec. 15, 1931; none since. 2nd preferred paid regularly to Sept. 15, 1930; none since.
Common—None paid.

Head Office—Calgary.

Officers and Directors—

Officers—C. W. Band, pres.; R. W. Ward, vice-pres. and gen. mgr.; D. A. Ross, sec.-treas.

Directors—C. W. Band, F. J. Coombs, R. S. Waldie, Toronto; John Burns, R. W. Ward, D. A. Ross, Calgary; E. E. Buckerfield, Vancouver; H. M. E. Evans, Edmonton; J. R. Murray, Winnipeg.

Times Bond Interest Earned— Year end. Aug. 31:

	1936	1935	1934
Before deprec. ...	$2.48	$1.77	$0.72
After deprec.	0.85	0.47	....

Seven Years Earnings—

Year	Earnings $	Dividends $	Surplus $
1930	192,934	137,025	74,422
1931	116,524	52,050	822
1932	59,647	......	10,260
1933	42,238	......	*28,396
1934	30,867	......	*101,064
1935	74,669	......	*187,873
1936	102,568	......	*198,932

*Deficit.

Market Record—

	*1936 H	L	1935 H	L	1934 H	L
Class A ..	4	2	2⅝	1	4	2½
1st pref. .	57	40	43	13	19	9

*To Oct. 21.

National Biscuit Co.

National Biscuit Co., reports net profits for the quarter ended Sept. 30, 1936 at $3,659,769 before provision for undistributed profits tax. This is equivalent to 50 cents a share on the common.

Earnings for the first 9 months of 1936 have been approximately $1.33 a common share, compared with 94 cents a share in the corresponding period of 1935. Earnings to date exceed those of $1.31 per share for the full year 1935.

Declaration of a fifth dividend of 40 cents a share, payable Dec. 15, raises total dividend payment for 1936 to $2 a share.

Annapolis Apples

Movement of apples from the Annapolis Valley to Halifax for export since the beginning of the season this year totalled 6,962 barrels and 2,392 half barrels compared with 30,543 barrels and 1,468 half barrels last season.

Burns' Shamrock and Hormel Brand
Ready-to-Serve
Canned Meats

EACH BURNS' SHAMROCK and HORMEL FLAVOR-SEALED food comes to you in the original package in which it was sealed before being cooked. It is cooked in its sealed container for exactly the number of minutes, and at exactly the temperature which makes for perfection — that correct combination of time and temperature so difficult to make sure of in home cooking.

This FLAVOR-SEALED process of cooking keeps in the package all the flavors and aroma which ordinary cooking wastes on the open air.

Scores and scores of interesting, delightful dishes can be prepared with BURNS' SHAMROCK and HORMEL FLAVOR-SEALED FOODS in but five minutes of actual labor, and because these foods may be served cold, instantly, or need but a few minutes heating and browning, they are ideally suited for all occasions, but are especially adaptable for use during the Summer Season.

BURNS' SHAMROCK and HORMEL BRAND READY-TO-SERVE CANNED MEATS are on sale at all leading stores.

Enquire About Them

"Ideal for Indoor or Outdoor Meals"

Viau Ltd.

Reorganization is Carried Out — Earnings Are Up Slightly

Shareholders of Viau Biscuit Corp. approved a capital reorganization at a special meeting held during last August. The plan provides for changing the name of the company to Viau Ltd.; holders of the first preferred shares receiving 2 common shares in lieu of arrears of dividends to the end of 1936 and reducing the dividend on the first preferred to 5% from Jan. 1, 1937, the first payment to be made April 1, 1937.

Holders of the second preferred shares received 5 common shares in place of the shares now held, arrears of dividends being cancelled, while holders of the common shares received one new common share for each 10 old shares held.

After giving effect to the proposals outlined in the approved plan, capital stock will consist of 15,000 cumulative 5% first preferred of $100 par, of which 9,450 shares will be issued and outstanding; 100,000 no par common shares, of which 18,920 will be issued in lieu of arrears on first preferred and 23,500 in lieu of stock held and arrears on second preferred and 2,500 will go to present common shareholders, with 55,080 remaining in the treasury.

Net earnings of the company during the 13 months' period ended Jan. 31, 1936, amounted to $135,276 as against $106,458 in the 12 months ended Dec. 31, 1934. A heavier charge for depreciation however, offset this improvement and net profit of $25,104 was shown contrasted with $22,712 in 1934.

Capitalization—

	Authorized	Outstanding
Com. (n.p.v.) ...	50,000 shs.	25,000 shs.
1st pfd. cum. 7%	$2,500,000	$946,000
2nd pfd. cum. 7%	1,000,000	470,000
($100 par).		

Funded Debt— 6½% gen. mortgage bonds, due 1946; outstanding $318,400.

Dividend Record— 1st preferred — Entitled to 7% cumulative, payable Jan., Apr., July and Oct. 1; paid regularly to Oct. 1, 1932; none since. Arrears as at Jan. 31, 1936, $215,215.
2nd preferred—7% cumulative, payable same dates as 1st preferred; payment passed in 1927, resumed in 1928 and arrears paid-up in 1930; paid regularly from 1928 to Jan. 1, 1932; none since. Arrears as at Jan. 31, 1936, $131,600.
Common—None paid.

Head Office—Montreal.

Officers and Directors—

Officers—Théophille Viau, pres.; Albert Hudon, vice-pres.; Lucien St-Mars, treas.; A. Robitaille, sec.; E. J. Codere, gen. mgr.; J. P. Forest, prod. mgr.; J. A. Boucher, asst. mgr.

Directors—Théophille Viau, A. Hudon, A. Robitaille, J. A. Lemieux, J. E. Labelle G. Perron, Montreal.

Times Bond Interest Earned—

	*1936	1934	1933
After other int. & before deprec. ..	5.38	3.84	1.48
After other int. & deprec.	2.11	2.06	0.11

Earnings per Share and Dividend Record—

1st. pref.: Earned	$2.65	$2.40	nil

Seven Years Earnings—

Year	Earnings $	Dividends $	Surplus $
1929	243,337	102,900	63,068
1930	315,467	102,900	110,798
1931	218,784	102,900	87,800
1932	56,763	50,680	2,940
1933	52,868	......	*32,611
1934	106,458	......	*67,357
1936	135,276	......	*197,701

*13 months ended Jan. 31.
*Deficit.

Market Record—

	*1936 H	L	1935 H	L	1934 H	L
Com. ..	3¼	1	2	1	5	1
1st pref.	65	18	20½	12	23	17

*To Oct. 21.

McCormick's

Corporate Affairs Now Put on Sounder Footing — Income Better

Financial reorganization of Canada Biscuit Co., now known as McCormick's Ltd., was carried out a few months ago. Unsatisfactory operating results in 1931 forced the company to pass interest payments on its 6½% first mortgage bonds. Further the company became heavily indebted to the banks and it was necessary to effect a general reorganization.

Under the plan the funded debt of the company was reduced by half, in return for which concession the bondholders were given a majority of the new 6% non-cumulative redeemable participating preferred shares. The trust deed securing the outstanding prior lien bonds was amended to reduce the rate of interest to 5½% and extend the maturity to May 1, 1950. At the same time the voting trust control was set up and Nathan Cummings, Montreal, was appointed to assume active direction of the company for the period to April 30, 1940.

Gain in Income

In the financial statement for 1935 it was shown that the trading profit advanced moderately during the year, but net trading profit at $61,059 was nearly twice as great as that reported in 1934. After making provision for all charges, however, there was a net loss of $87,211 as against $232,908 in 1934. Bank loans showed a substantial reduction and altogether there was an improvement in the financial position.

It is still too early to determine the benefits arising from the reorganization. However the financial statement for 1936 will give some idea of the progress made under the new arrangement.

Capitalization—

	Authorized	Outstanding
6% non-cum. pfd. Par $50	1,250,000	895,250
Common, n.p.v.	154,000 shs.	108,950 shs.

Funded Debt— 5½% prior lien bonds, due 1950, outstanding $265,000; 5½% 1st mtge. bonds, due 1950, $895,250.

Devidend Record— None paid.

Subsidiaries—(Wholly-owned)—

North West Biscuit Co., Ltd., Edmonton, Alta.—Established in 1913.

D. S. Perrin & Co., Ltd., London, Ont. (Controlled)

McCormick Manufacturing Co., Ltd., London, Ont.—Established in 1858.

Paulin-Chambers Co., Ltd., Winnipeg, —Established in 1876, incorporatted in 1899.

J. A. Marven, Ltd., Moncton, N.B.—Established in 1906.

Montreal Biscuit Co., Ltd., Montreal—Established in 1866.

North West Mill & Feed Co., Ltd., Edmonton.—Formed to produce flour for use in biscuit making.

Head Office—London, Ont.

Officers and Directors—

Officers—F. A. McCormick, pres.; Nathan Cummings, exec. vice-pres.; J. W. Ross, vice-pres. in chge. of production and finances; J. A. Chambers, vice-pres. in chge. of sales; E. G. Brown, sec. and treas.

Directors—F. A. McCormick, Ray Lawson, London, Ont.; N. Cummings, W. S. Brooke, N. E. Horton, C. Dufresne, Wilbert Howard, A. E. Kyle, Montreal; A. F. D. Lace, Toronto.

Times Interest Earned*—

	1935	1934
Prior lien: Before deprec.	1.35	0.01

*After bank interest but before carrying charges on non-oper. units.

Dom. Bakeries

Properties Rented and Outlook Dark For Investors

Dominion Bakeries Ltd. is no longer a baking company, but rents its properties to independent firms. The company has a deficiency of working capital, including among current liabilities a prior lien owing to Maple Leaf Milling Co., on which no interest is being paid. If, however, the properties are eventually sold, the lien of Maple Leaf Milling Co. will first have to be satisfied, so that prospects of any returns to shareholders are not favorable.

Public investment interest is confined largely to the $725,000 of 6½% first preferred stock. Most of the second preferred and common shares are held by Maple Leaf Milling Co.

Capitalization—

	Authorized	Outstanding
1st pref. 6½% ..	$2,000,000	$725,000
2nd pref. 6½%..	250,000	210,000
Com., n.p.v.	100,000 shs.	25,007 shs.

A majority of second preferred and common stock owned by the Maple Leaf Milling Co.

Funded Debt— None.

Dividend Record— 1st and 2nd preferred—Entitled to 6½% cumulative, payable Mar., June, Sept. and Dec. 1; 1st preferred paid regularly from Dec. 1, 1928 to Sept. 1, 1930, none since; 2nd preferred, cumulative from Mar. 1, 1930, none paid.
Common—None paid.

Head Office—Toronto.

Officers and Directors—

Officers — C. W. Band, pres.; G. A. Scrimger, sec.-treas.

Directors—G. A. Mackey, C. W. Band, D. C. MacLachlan, C. S. Band, J. L. Henderson, G. H. Hand, Toronto; A. F Culver, Montreal.

Seven Years Earnings—

Year	Earnings $	Dividends $	Surplus $
1929	90,378	37,375	38,055
1930	31,842	47,125	5,795
1931	*57,375	......	†110,822
1932	*91,740	......	†300,971
1933	*12,918	......	†673,414
1934	9,351	......	†638,340
1935	7,394	......	†675,530

*Loss. †Deficit.

National Grocers

Sales of Large Wholesale Grocery Firm Running Slightly Above 1935 Level — Arrears Plan Still in Abeyance

Business of National Grocers Co. has been satisfactory since the fiscal year closed last March 31, and sales are a little better than in the preceding year. Although several plans have been proposed for the liquidation of arrears of preferred dividends of $31.50 a share, agreement on a plan has not yet been reached.

As long as there are arrears of dividends on the preferred stock, no payment can be made on the common. Without allowing for arrears of preferred, earnings amounted to 74 cents a share on the common last year. The company's financial strength and earnings have been such as to suggest that common dividends would be possible if some adjustment of the preferred arrears is made. Consequently, each time there seems to be a possibility of liquidating the arrears the common shares are inclined to strengthen. Up to the present, reductions of arrears have been effected by cash payments in addition to the regular preferred dividends.

The company distributes wholesale groceries in Ontario. It is a consolidation of 23 former wholesale grocery firms, and operates 31 jobbing branches and warehouses, 21 of which are owned outright. The company supplies Red and White chain stores which, however, are individually owned. This is a proprietor chain, as contrasted with a company chain of grocery stores.

An important development in the company's financing this year has been issue of 4% serial bonds, to replace former 6% bonds. The new issue matures $100,000 annually up to 1947, and represents a substantial saving in interest charges.

Capitalization—

	Authorized	Outstanding
Com. (n.p.v.) .	300,000 shs.	295,852 shs.
Pref., par $100	3,500,000	2,953,200

Funded Debt— 1st mtge. bonds, 4% serial, due 1936 to 1947, outstanding $1,100,000.

Dividend Record— Preferred—7% cumulative, payable 1st Jan., Apr., July and Oct. Dividends of 1¾% paid Jan. and July, 1929, Jan. and July, 1930, Oct., 1931, and Jan. and July, 1933; $2.61 paid Jan. 1, 1934; $1.75 Apr. 1, May 1, 1934, July 2, 1934; $3.50 Sept., 1934, and May 1, 1935; $1.75 Oct. 1, 1935, and regularly since. $3.50 paid on arrears June 1, 1936. Arrears as at Apr. 1, 1936, $31.50 per share.
Common—None paid to date.

Head Office—21 Front St. E., Toronto.

Officers and Directors—

Officers — A. M. Woolnough, chm.; Archie Foster, pres. and gen. mgr.; M. D. Lemon, vice-pres.; H. L. McNally, asst. gen. man.; T. H. Kinnear, sec.-treas.; R. H. Bainard, compt. and asst. sec.-treas.

Directors—D. Blain, Archie Foster, T. H. Kinnear, M. D. Lemon, T. J. Medland, A. M Woolnough, Toronto; Hon. G. Gordon, North Bay; W. H. Kenny, Sarnia; A. J. Major, Ottawa; W. G. McLauchlan, Owen Sound; J. H. Simpson, Guelph.

Times Bond Interest Earned— Year end. Mar. 31:

	1936	*1935	1934
Before deprec.	9.89	7.12	7.06
After deprec.	8.20	5.96	5.85

*9 mos. ended Mar. 31, 1935.

Earn. per Share and Div. Record—

Pref.: Earned ...	$14.46	$11.09	$13.19
Paid	10.50	8.75	7.00
Com.: Earned* ..	0.74	0.58	0.54
None paid.			

*After deducting full year's preference dividends but before taking arrears into account.

Seven Years Earnings—

Year	Earnings $	Dividends $	Surplus $
1930	620,587	152,334	562,798
1931	567,064	26,734	634,176
1932	569,291	51,681	809,328
1933	601,109	103,362	838,007
1934	711,593	230,744	931,891
1935†	566,583	258,405	751,365
1936	723,181	310,086	868,311

†9 mos. to Mar. 31, 1935.

Market Record—

	*1936 H	L	1935 H	L	1934 H	L
Pref. ...	7⅞	5	135	121	121	90½
Com. ...	140	130	7½	4½	..	..

*To Oct. 21.

B. C. Salmon Pack

British Columbia's salmon pack to mid-September comprised 1,290,288 cases of all grades. One quarter of the pack is composed of sockeye.

A Canadian Enterprise
Grown
to *International Magnitude*

Weston's make quality biscuits in Canada, Scotland, Ireland, England and the United States. In that statement is encompassed an epic story of Canadian achievement.

For George Weston, Limited, thoroughly Canadian in origin, in development, in direction, has become one of the world's greatest biscuit making enterprises.

This growth is based on the determination of Weston's to make biscuits of the highest possible quality.

The growth itself is evidence of the successful pursuit of this determination.

Weston quality is today successfully competing against the best products of domestic manufacturers in the British Isles and in the United States. In Canada Weston dominates the quality biscuit market.

GEORGE Weston LIMITED

MAKERS OF ENGLISH QUALITY BISCUITS

Toronto, Brantford, Battle Creek, Mich., Calgary, Passaic, N.J.

Dominion Stores

Increasing Sales After Rehabilitation Lead to Expectations of Profit For Full Year — Heavy Loss Incurred in 1935

Dominion Stores Ltd. reported a loss of some $37,000 for the first 24 weeks of 1936, compared with a loss of $370,000 for the corresponding period of 1935. For the full year, it is expected the company may be able to show a profit, in contrast with a loss of $610,000 in 1935.

It is still somewhat early to count on substantial earnings, since the largest volume and profits occur in the latter months of the year. Sales for the 40 weeks to October 3, however, show an increase of 9.7%. This favorable showing is modified somewhat by the increase of only 1% in the 4 weeks ended October 3.

Possibilities and Problems

Sales results for the remainder of this year will determine to a large extent whether a profit will be shown for the full year.

Net working capital in June was reported at slightly over $2 millions, so that if substantial earnings were realized dividends could be considered.

The company operates a chain of nearly 500 stores chiefly in the Montreal and Toronto areas, but extending throughout eastern Canada, distributing meats, groceries and fruits.

One of the company's difficulties in operations has been particularly keen competition in the chain store business in the Montreal area, but conditions in this respect appear to have improved somewhat this year. However, provincial and municipal governments in Quebec and the Maritime Provinces have shown an inclination to levy heavy taxes on chain stores which have an adverse effect on earnings.

Renovation Campaign

In the last 2 years, the company has renovated store properties and equipment, and installed a new merchandising system to ensure that goods shall be fresh at all times. In the process, heavy write-offs for inventories and substantial outlays for new equipment were made. Management has also been revised with the idea of intensive concentration on each business area. The rise of the company's shares from $8 in April of this year reflects opinion that substantial improvement will be shown when the year's accounts are complete.

Capitalization—

	Authorized	Outstanding
Com., n.p.v. ..	1,000,000 shs.	*280,014 shs.
Pref., par $100	$5,000,000	None

*After cancellation of 2,368 shares held for employees' co-operative investment plan.

Funded Debt—
None.

Dividend Record—
Common—None at present. Formerly $1.20 per share per annum, paid regularly July, 1929, to Jan. 2, 1935; 2% stock bonus paid June, 1930; 30 cents cash extra paid Jan. 2, 1932.

Head Office—Toronto.

Officers and Directors—
Officers—E. Gordon Wills, pres.; W. F. Stewart, vice-pres. and gen. mgr.; J. C. Kemp, asst. gen. mgr. and Montreal mgr.; F. R. Paget, sec. and asst. Toronto mgr.; C. F. Hatton, treas.; A. J. Cox, asst. sec.; A. A. Beevor, asst. treas.
Directors — W. S. Kies, New York.; Morley Smith, E. Gordon Wills, W. F. Stewart, Rolph R. Corson, Toronto; G. S. Armstrong, New York; J. B. Jameson, Concord, N.H.; Dr. C. W. Colby, J. C. Kemp, Montreal; R. O. Johnson, Montreal; L. L. Vivian, New York.

Earnings per Share and Dividend Record—

	1935	1934	1933
Com.: Earned	nil	$0.06	$1.20
Paid	nil	1.20	1.20

Seven Years Earnings—

Year	Earnings $	Dividends $	Surplus $
1929	494,250	313,076	1,071,149
1930	601,263	335,436	1,267,003
1931	630,967	419,413	1,201,049
1932	497,033	338,858	1,113,623
1933	504,325	338,858	1,077,276
1934	174,522	338,858	749,510
1935	*454,777	......	117,444

*Loss.

Market Record—

	*1936 H	L	1935 H	L	1934 H	L
Com. ..	12	8	12½	6⅝	23	11

*To Oct. 21.

Stop & Shop

Becomes Holding Company Combined With Thrift Stores

Stop & Shop Ltd., Toronto food store company, has acquired control of Thrift Stores, Montreal. The latter becomes the operating company, and Stop & Shop a holding company, although the names of both companies continue to be used in merchandising. The grouped stores number about 175.

Although there has been a tendency for sales to increase this year, it is difficult to estimate the effect upon earnings for the full year, because the most important months are November and December. It is believed the unified management of the 2 chains will result in economies to the benefit of earnings in the long run.

Capitalization—

	Authorized	Outstanding
Pref. 6% cum. Par $10.	$750,000	$555,500
Com., n.p.v. ..	*125,000 shs.	49,841 shs.

*75,000 shares are reserved for conversion of preference stock.

Funded Debt—
6% 1st mtge. s. f. bonds, series A, due 1947, outstanding $644,500.

Dividend Record—
Preferred—Entitled to 6% per annum, cumulative, plus participation. Initial dividend of 25 cents paid Apr. 16, 1934. Similar payment made on July 15, 1934, none since.
Common—None paid.

Subsidiary—Wholly-owned).
Pure Food Stores, Ltd., Montreal.

Head Office—1385 Bloor St. W., Toronto.

Officers and Directors—
Officers—W. M. Hodgson, chm.; R. H. Hommel, pres. and man. dir.; H. R. Berg, vice-pres. in charge at Toronto; G. A. Wright, vice-pres. in charge at Montreal; G. C. Anspach, sec.-treas.
Directors—A. D. Cobban, H. B. Housser, E. F. Costte, H. R. Berg, R. H. Hommel, Toronto; W. M. Hodgson, G. A. Wright, W. E. Dunton, Montreal; B. N. Barrett, Kitchener.

Times All Interest Earned—

Year end.:	Feb. 23 1936	Feb. 24 1935	Feb. 25 1934
Before depr.	nil	0.56	3.64
After depr.	nil	nil	2.32

Earnings per Share and Dividend Record—

Pref. (new):			
Earned	nil	nil	$0.82
Paid	nil	$0.50	nil

Market Record—

	*1936 H	L	1935 H	L	1934 H	L
Com.	2⅛	½	4¾	4⅝	9	4½

*To Oct. 21.

Thrift Stores

Corporate Merger With Stop and Shop Expected to Better Position

Thrift Stores, Montreal, carried out an amalgamation with Stop & Shop, Toronto, last August. No new company has been formed. Stop & Shop is the holding company and Thrift Stores the operating company, bringing the 2 systems under one management.

In the year ending last March, Thrift Stores was able to report a small operating profit of $13,862, as contrasted with the loss of $18,387 in the previous year. Competitive conditions in the Montreal area have been exceptionally keen and the chain stores have found it difficult to operate at a profit. Special taxation of chains in the area has also been a handicap.

Capitalization—

	Authorized	Outstanding
1st pref. cum. 6½% Par $25.	$350,000	$342,750
2nd pref., par $10 .	120,000	120,000
Ordinary, n.p.v...	*57,000 shs.	20,000 shs.

*36,420 shares reserved for conversion of 1st and 2nd preferred shares.

Dividend Record—
1st Preference—Entitled to 6½% per annum, cumulative from Oct. 1, 1929; payable quarterly, Jan., Apr., July and Oct. 1. Initial dividend paid Jan. 2, 1930, and regularly to and including Jan. 1, 1935; none since.
2nd Preference—Entitled to 7% per annum, cumulative from Oct. 1, 1929. Payable quarterly, Jan., Apr., July and Oct. 1. Initial dividend paid Jan. 2, 1930, and regularly to and including Jan. 1, 1935; none since.
Ordinary—40 cents per share paid quarterly July 1, 1933, to Oct. 1, 1934; none since.

Subsidiary—
M. Rudolph Limited—Wholly-owned by parent company and earnings consolidated with those of latter.

Head Office—Montreal.

Officers and Directors—
Officers—W. M. Hodgson, chm. of the board; R. H. Hommel, pres. and man. dir.; H. R. Berg, vice-pres. in charge in Toronto; G. A. Wright, vice-pres. in charge at Montreal; G. C. Anspach, sec.-treas.
Directors—A. D. Cobban, H. B. Housser, E. F. Coste, H. R. Berg, R. H. Hommel, Toronto; W. M. Hodgson, G. A. Wright, W. E. Dunton, Montreal; B. N. Barrett, Kitchener.

Earnings per Share and Dividend Record—
Year end. Mar. 31:

	1936	1935	1934
1st pref.: Earned	nil	nil	$5.04
Paid	nil	$1.21⅞	1.62½
2nd pref.: Earned	nil	nil	3.90
Paid	nil	0.52½	0.70
Ordinary: Earned	nil	nil	1.92
Paid	nil	0.20	0.40

Six Years Earnings—

Year	Earnings $	Dividends $	Surplus $
1931	95,780	31,150	55,189
1932	107,131	31,150	93,296
1933	111,837	30,796	119,713
1934	110,700	38,679	150,089
1935	†19,512	27,009	87,086
1936	*13,862	......	86,034

*Covering period from Apr. 1, 1935, to Mar. 28, 1936. †Loss.

Market Record—

	*1936 H	L	1935 H	L	1934 H	L
Ordinary	3	1	2⅛	1	11¼	3
1st pref.	14	5	13	5	25	18

*To Oct. 21.

West. Grocers

Maintains Increased Earnings—Distributes Across West

Although official information is not available, Western Grocers Ltd., Winnipeg, is believed to be maintaining the increased earnings of 1935 satisfactorily this year. This is reflected in the firmness of the common stock.

The company distributes wholesale groceries through branches extending from Port Arthur westward to Alberta, including some 700 "Red and White" chain stores in that area.

Other Companies

The improvement in earnings last year did not include net profits of Dominion Fruit Ltd., and 1936 results may also reflect the acquisition of H. H. Cooper, Ltd., Edmonton wholesale grocery, purchased late in 1935.

Early this year shareholders approved a change in provisions of the preference shares allowing them to be redeemed at $110 each, but this was not allowed by Winnipeg courts because minority shareholders did not favor the change.

Capitalization—

	Authorized	Outstanding
Pref. par $100 ...	$2,500,000	$1,194,300
Com. (n.p.v.) ..	30,000 shs.	16,943 shs.

Funded Debt—
None.

Dividends—
Preference—$7 per annum, cumulative, payable Jan., Apr., July and Oct. 15. Paid regularly since 1926.
Common—Present rate $2 per share per annum, payable Jan., Apr., July and Oct. 15. A dividend of $1 per share paid Mar. 15, 1927. None thereafter to Jan., 1935, when stock established on $2 basis, with quarterly payment of 50 cents.

Subsidiary—Wholly owned.
Dominion Fruit, Ltd. — A wholesale fruit and vegetable organization operating in Western Canada.
H. H. Cooper, Ltd.—A wholesale grocery firm at Edmonton.

Head Office—Winnipeg.

Officers and Directors—
Officers—W. P. Riley, pres.; W. H. McWilliams, vice-pres.; Eben Govan, sec.-treas.; W. S. Graham, asst. sec.-treas.
Directors — W. P. Riley, W. H. McWilliams, H. W. Hutchinson, F. O. Fowler, Jas. A. Richardson, all of Winnipeg.

Earn. per Share and Div. Record—

	1935	1934	1933
Pref.: Earned ...	$14.05	$12.70	$10.55
Paid	7.00	7.00	7.00
Com.: Earned ...	4.97	4.02	2.51
Paid	2.00	0.50	....

Seven Years Earnings—

Year	*Earnings $	Dividends $	Surplus $
1929	193,170	83,601	371,799
1930	133,777	83,601	378,307
1931	121,671	83,601	372,909
1933	141,136	83,601	277,713
1933	188,094	83,601	319,043
1934	215,662	92,072	378,680
1935	244,111	117,487	429,217

*After deducting all operating expenses, interest paid on bank and mortgage loans, and making provision for bad and doubtful accounts.

Market Record—

	*1936 H	L	1935 H	L	1934 H	L
Com. ...	60	46½	50	32	34	30
Pref. ...	115	106	106	95	100	85

*To Oct. 21.

Catelli Food

Reorganization Wipes Out Dividend Arrears and Strengthens Finances

A further improvement in finances and a strengthening of capital position is reported by Catelli Macaroni Products, which has changed its corporate name to Catelli Food Products in conformity with the scheme adopted by the shareholders earlier in the year.

Last April the company took steps to wipe out dividend arrears on the class A stock. Under a plan approved by the shareholders, the company distributed for each share of class A held, one new preferred share of the par value of $15 and carrying a 5% cumulative dividend as from Dec. 1, 1935, together with a return of capital of $2.50 a share and one share of new common stock. Holders of the class B stock were given one new share for each 5 held.

The new capital set-up comprises 40,000 shares of preferred stock, of the par value of $600,000, on which the annual dividend requirements amount to $30,000, and 46,000 shares of no par value common stock, of which 40,000 shares were distributed to the class A preferred shareholders and 6,000 shares to holders of the class B stock.

Capitalization—

	Authorized	Outstanding
Pref., par $15 ...	40,000 sh.	40,000 sh.
Com., n.p.v. ...	46,000 sh.	46,000 sh.

Funded Debt—
None.

Dividend Record—
Preferred — 5% per annum, cumulative from Dec. 1, 1935, payable June 1 and Dec. 1; initial dividend of 38 cents paid June 1, 1936. On old class A preferred, $2 per annum paid regularly from Dec. 1, 1928, to Sept. 1, 1930; none thereafter. Old class B common, none paid.

Head Office—305 Bellechasse St., Montreal.

Officers and Directors—
Officers — Aimé Geoffrion, pres.; A. Bienvenu, vice-pres.; Paul Bienvenu, man. dir.; Peirce Murphy, sec.
Directors—Aimé Geoffrion, A. Bienvenu, R. R. Dobell, W. W. Hutchinson, Alphonse Raymond, Paul Bienvenu, Henri Geoffrion, Montreal; I. Rader, Vancouver; J. Sirois, Quebec.

Earnings per Share and Dividend Record—

	1935	1934	1933
Class A: Earned†	$1.30	$0.67	nil
Class B: Earned	nil	nil	nil
None paid.			

*Before taking participation features into account.

Market Record—

	*1936 H	L
Common	9⅝	2¼
Preferred	15	11½

*To Oct. 20.

Atlantic Sugar

Net Profits Total $243,446 in First 8 Months of 1936; New Financing Simplifies Balance Sheet

Atlantic Sugar Refineries net profits for the first 8 months of 1936, available for dividends on the capital stock, amount to $243,446. This was in contrast to net profits, on the same basis, of $596,571 during all of 1935.

At the end of last August total assets of the company stood at $5.8 millions compared with $5.6 millions at the close of 1935. The principal changes in financial position over the first 8 months of this year were an increase in inventories from $372,181 to $500,329, and a gain in the marketable securities from a book value of $400,000 to $753,892. The market value of these investments during the same period increased from $500,380 to just over $1 million.

See New Bonds

This month the company sold $2 millions of first (closed) mortgage bonds. Part of the proceeds will be used to take care of the redemption of the debentures, the balance becoming part of the company's liquid assets. Another financial operation was the redemption of all the outstanding 7% preference stock which was effected through the company's own cash resources.

Capitalization of Atlantic Sugar, after giving effect to these changes, comprises $2 millions of bonds and 160,000 shares of no par value common stock.

Capitalization—

	Authorized	Outstanding
Pref. A cum. .. Par $100.	$1,111,100	$1,111,100
Common, n.p.v.	160,000 shs.	160,000 shs.

Funded Debt—
5% deb. stock, due 1942, outstanding $911,102. Redeemed Oct. 31, 1936.
1st mtge. 2½%, 3% and 4% bonds, due 1937-41 and 1951, to be issued $2,000,000.

Dividend Record—
Preferred A — 7% cumulative payable quarterly, Jan., Apr., July and Oct. 1. Initial payment made Oct. 1, 1932, and regularly since.
Common—None paid to date.

Head Office—Montreal.

Officers and Directors—
Officers—F. R. Graham, chm.; L. J. Seidensticker, pres.; P. R. Gardiner, vice-pres.; M. J. Savage, vice-pres.; S. A. Hayden, sec.; E. S. Johnston, asst. sec. and treas.
Directors—F. R. Graham, L. J. Seidensticker, J. C. H. Dussault, D. H. McDougall, Montreal; P. R. Gardiner, S. A. Hayden, Toronto; T. J. Dillon, New York.

Times All Interest Earned—

	1935
Before depreciation	$20.18
After depreciation	14.62

Earns. per Share and Div. Record—

Preference: Earned	$53.69
Paid	7.00
Common: Earned	3.24
No dividends paid.	

Market Record—

	*1936 H	L	1935 H	L
Preference	106	104	105½	104½

*To Oct. 22.

Blue Ribbon

Improvement Recorded Since Close of Fiscal Year

Blue Ribbon Corp. controls Pure Gold Manufacturing Co., Blue Ribbon Ltd., Winnipeg, and Pure Gold Manufacturing Co. and Willards Chocolates Ltd., Toronto.

Since the annual report appeared, consolidating results of all subsidiaries, it is understood that Blue Ribbon Ltd. has been doing about the same volume in western Canada as in 1935. Pure Gold Manufacturing Co. is doing much better than last year.

The report for the year ended June 30, 1936, included results of Willards Chocolates Ltd., for the first time, but since this subsidiary did not show profits, the improvement in Blue Ribbon Corp. earnings was fully available to cover dividends.

The full dividend on Blue Ribbon Corp. preferred is $3.25 annually, but only $2 a share has been paid. Increased payments do not appear to be an immediate probability, but if improved business continues will become possible.

Capitalization—

	Authorized	Outstanding
Pref., par $50 ..	$1,500,000	$1,492,500
Com., n.p.v. ...	150,000 shs.	63,475 shs.

Dividend Record—
Preferred—Entitled to 6½% cumulative, payable Feb., May, Aug. and Nov. 1. Paid regularly from Aug., 1930, to Nov., 1931; rate reduced to 4% by payment of 50 cents Feb. 1, 1932; paid regularly at this rate since.
Common—None at present; former rate $2 per share per annum from July, 1930, to Nov., 1931; none since.

Subsidiaries—
Pure Gold Manufacturing Co., Ltd.—Common stock outstanding 50,000 shs. n.p.v., all held by parent company.
Blue Ribbon, Limited—Preferred stock outstanding $1,000,000, par $50; common stock 30,000 shs. n.p.v., all owned or controlled by the parent company.
Willards Chocolates, Ltd.—All common stock owned.

Head Office—Toronto.

Officers and Directors—
Officers—W. S. Greening, chm. of board; J. M. deC. O'Grady, pres.; C. E. Spooner, vice-pres.; J. C. Jamieson, sec.-treas ; J. Ball and W. K. Fraser, asst. secs.
Directors—W. S. Greening, Lt.-Col. J. F. Michie, C. E. Spooner, A. C. Matthews, Toronto; J. Ball, William Hood, J. M deC. O'Grady, Winnipeg.

Earn. per Share and Div. Record—
Year end. June 30:

	1936	1935	1934
Pref.: Earned	$2.22	$1.98	$2.52
Paid	2.00	2.00	2.00

Seven Years Earnings—

Year	Earnings $	Dividends $	Surplus $
1930	254,688	242,499	†121,533
1931	265,929	192,251	†139,993
1932	128,313	149,852	42,341
1933	130,882	57,590	55,261
1934	154,589	58,645	71,875
1935	102,756	59,700	71,678
1936*	168,895	59,700	78,185

†Subject to income tax. *Income and surplus account of Willards Chocolates is included for first time.

Market Record—

	*1935 H	L	1934 H	L	1933 H	L
Com.	3½	2	6	4	6	1
Pref.	29	19	32	23	23¼	10

*To Oct. 8.

	*1936 H	L	1935 H	L	1934 H	L
Com.	5	2⅞	4	1¾	6	4
Pref.	34	27	29	19	32	23

*To Oct. 21.

Willards Chocolates
(Controlled by Blue Ribbon Corp.)

Capitalization—

	Authorized	Outstanding
Pref., par $100	$600,000	$474,000
Com., n.p.v. ..	15,001 shs.	15,001 shs.

Dividend Record—
Preferred—Entitled to 6½% cumulative from Mar. 1, 1935, payable 1st Mar., June, Sept. and Dec. None paid.
Common—None paid.

Head Office—Toronto.

Officers and Directors—
Officers—J. M. de C. O'Grady, pres.; C. E. Spooner, vice-pres. and man. dir; J. C. Jamieson, treas.; W. A. Hill, sec.
Directors — W. S. Greening, C. E. Spooner, J. M. de C. O'Grady, all of Toronto.

Acadia Sugar

Owing to the narrow spread between the cost of raw sugar and the selling price of the refined product, profits of Acadia Sugar Co. for the first half of the year are understood to be moderately less than for the corresponding period last year. However, results during the last half of the year may offset any decline in income which is well above interest and preferred dividend charges.

Over the past 3 or 4 years Acadia Sugar has done a great deal to strengthen its balance sheet. Last year an old bond issue was called and replaced with a new issue carrying a smaller interest coupon. In addition arrears of dividend on the preferred stock were cleaned up.

Capitalization—

	Authorized	Outstanding
Pref. cum.	$1,500,000	$1,500,000
Common	1,500,000	1,500,000

Par $5 and £1.

Funded Debt—
4½% 1st mtge. S. F. bonds, due 1955, outstanding $1,500,000.

Dividend Record—
Preferred—6% cumulative, payable Mar., June, Sept. and Dec. 1; paid semi-annually prior to 1933. Paid regularly from Dec. 15, 1930, and following payments made on arrears: 1% Dec., 1931; 1% June, 1932; 2% Dec., 1932; 1% Mar. and June 1, 1933; 1½% Sept. 1, 1933 and quarterly thereafter to July 1, 1936, when 7½ cents per share was paid, wiping out the arrears on preferred.

Head Office—Halifax.

Officers and Directors—
Officers—J. McG. Stewart, pres.; D. R. Turnbull, man. dir. and sec.
Directors — J. C. MacKeen, J. McG. Stewart, D. R. Turnbull, Hon. W. H. Covert, W. A. Black, Halifax; J. Mitchell, J. B. Ramsay, R. Thom, Glasgow, Scotland; Hon. C. W. Robinson, Moncton.

Times All Interest Earned—

	1935	1934	1933
Before deprec.	5.11	4.40	4.86
After deprec.	3.21	2.30	2.96

Earn. per Share and Dividend Record—

	1935	1934	1933
Pref.: Earned†	$0.79	$0.58	$0.96
paid	.30+.30*	.30+.30*	.30+.25*
Com.: Earned*	0.28	0.66	0.62
None paid.			

†Earnings calculated before making provision for arrears in preferred dividends.
*Before provision for arrears but after full preferred dividends for the period.
*Paid on account of arrears.

Seven Years Earnings—

Year	Earnings $	Dividends $	Surplus $
1929	373,720	......	128,311
1930*	466,934	44,999	170,354
1931†	634,394	104,998	249,680
1932	715,973	134,997	391,287
1933	713,152	164,997	510,197
1934	585,944	179,997	503,721
1935	550,028	179,997	388,163

*Year ended Jan. 3, 1931.
†Year ended Jan. 2, 1932.

Market Record—

	*1936 High	Low	1935 High	Low
Common	4½	4¼	5	5

*To Oct. 20.

PYRAMID TRANSPARENT BAGS

Pyramid Bags made from "Cellophane" —an unbeatable combination— The modern trend in merchandising

Distributed by

MacGregor Paper & Bag Co., Inc.
Montreal—Quebec City—Saint John—Halifax

W. J. Bell Paper Co. Limited
TORONTO

Also Grocery Bags—Glassine Bags—Confectionery Bags and Bakers Bags

Canada & Dom. Sugar

Improvement in Sugar Marketings and Price Should Be Reflected in Current Earnings of Major Company

Canada & Dominion Sugar Co., Chatham, Ont., largest sugar firm in Canada, is believed to be having improved earnings this year. There has been a slight increase in sugar marketings in Canada as compared with last year, and although cost of sugar has risen the price of sugar has gone up 35 cents per hundredweight in the Ontario market. A bonus dividend of $1 a share has just been distributed.

The company is understood to market about 45% of the sugar used in Canada, the chief brands being "Redpath" and "Dominion Crystal." Last year the Ontario market price for sugar was somewhat disturbed, so that earnings declined to $3.47 a share.

The company's working capital early this year was slightly over $13 millions, including $8.5 millions of government bonds which were actually worth over $9¼ millions.

The company operates, through its 2 subsidiaries, a refinery at Montreal and beet sugar refineries at Chatham and Wallaceburg, Ont.

Capitalization—

	Authorized	Outstanding
Com., n.p.v....	1,000,000 shs.	500,000 shs.

Dividend Record—
Current rate $1.50 a year; payable Mar., June, Sept. and Dec. 1; extra of 50c. paid on Dec. 1, 1933, July 15, and Dec. 15, 1934, May 15 and Dec. 1, 1935. $1 extra paid May 15 and Oct. 20, 1936.

Officers and Directors—
Officers—C. H. Houson, pres.; R. Gilchrist, vice-pres.; W. J. McGregor, sec.-treas.
Directors—C. H. Houson, W. J. McGregor, Chatham; A. E. Dyment, W. C. Laidlaw, Toronto; H. R. Drummond, A. H. Thomson, G. B. Foster, Montreal; Guy H. Moulthrop, Bay City, Mich.; W. W. Mills, H. F. Smith, R. Gilchrist, Detroit.

Subsidiaries—
The Canada Sugar Refining Co. Ltd.—Wholly owned. Operates cane sugar refinery at Montreal.
Dominion Sugar Co., Ltd. — Wholly owned. Operates beet sugar refineries at Chatham and Wallaceburg, Ont.
Montreal Products Co. Ltd.

Head Office—Chatham, Ont.

Earns. per Share & Dividend Record—
Yr. end. Jan. 31

Common:	1936	1935	1934
Earned*	$3.47	$4.37	[illegible]
Paid	1.50+1.00	1.50+1.00	1.50+0.50

*Based on profit including profit on investments sold and after deduction of premium on bonds purchased written off.

Market Record—

	*1936 H	L	1935 H	L
Common	64½	57	60½	[illegible]

*To Oct. 23.

Ontario Dairies Are Now Hopeful

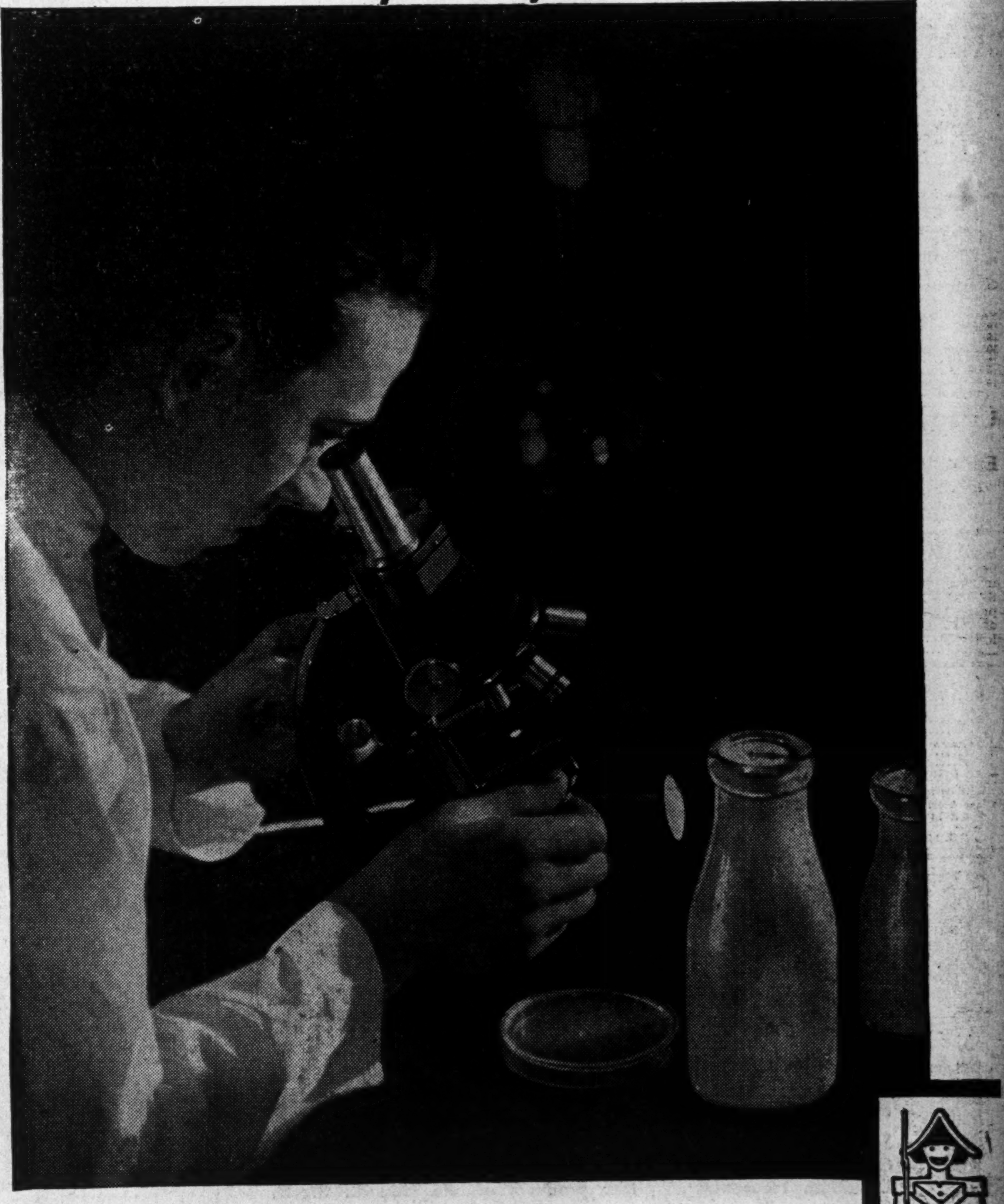
Following drought conditions in many parts of Ontario during the summer of 1936, later rains improved pastures. The result has been that ample supplies of milk are expected for all purposes. There may therefore be no change in the price situation as a number of distributors feel any increase to the general public would cause a serious diminution in consumption.

A&P ESTABLISHED 1859 FOOD STORES

During 1935 A&P Spent $14,175,517 in Canada for SALARIES and WAGES RENTALS SERVICES AND PRODUCTS of FARMS, GARDENS and FACTORIES

A&P FOOD STORES

Quality-Guarded



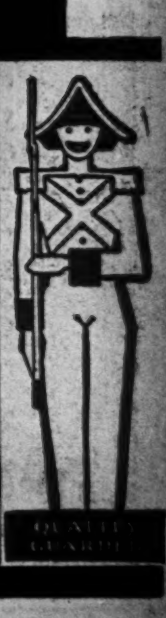
MILK MUST BE FRESH, RICH AND PURE. THE SCIENTIFIC PERFECTION OF A GREAT MODERN DAIRY IS NEEDED TO GUARD ALL THESE QUALITIES

EASTERN DAIRIES LIMITED

Branches:

ELMHURST DAIRY LTD., MONTREAL
HULL DAIRY LTD., HULL
CRESCENT CREAMERY CO. LTD., WINNIPEG
ACME FARMERS DAIRY LTD., TORONTO
ACME FARMERS DAIRY LTD., HAMILTON
THE PRODUCERS DAIRY LTD., OTTAWA

A Canadian Company Owned and Operated by Canadians



Laura Secord

Earnings Run Steadily Above $3 Dividend Rate

Laura Secord Candy Shops Ltd. manufactures its own chocolate and confections and markets them through some 80 shops in Ontario and Quebec cities. There has been no major change in earnings in recent years and the regular annual dividend of $3 a share is covered by a comfortable margin.

Since the current fiscal year started Oct. 1, 1936, the company has raised its price of chocolates to 60 cents for one pound, but any larger quantity may be purchased at 50 cents a pound. It is believed this policy will increase sales volume, contributing to profits, despite the rising costs of materials for manufacture of confections. The company's large investments contribute over $1 a share of annual profits.

One Subsidiary

The company has one subsidiary company, which operates a smaller retail chain, selling candies at 30 cents a pound. Formerly known as Candyteria Ltd., the subsidiary chain's name was recently changed to Mary Louise Candies Ltd.

Capitalization—

	Authorized	Outstanding
Common, n.p.v.	57,500 shs.	57,500 shs.

Funded Debt— None.

Dividend Record— Common—Present rate $3 per annum, payable Mar., June, Sept. and Dec. 1. Initial dividend of 50c. paid Dec., 1928, and regularly to Dec., 1929, when increased to present rate.

Head Office— 60 Bathurst St., Toronto.

Officers and Directors— Officers—Frank P. O'Connor, pres. and chm. of board; J. D. Hayes, 1st vice-pres. and gen. mgr.; W. J. O'Connor, 2nd vice-pres.; C. P. Moher, 3rd vice-pres.; C. H. Ellston, sec.-treas.

Directors—Frank P. O'Connor, J. D. Hayes, C. H. Ellston, C. P. Moher, Toronto; A. A. Audette, Montreal.

Subsidiary— Candyteria, Ltd.—Incorcorated June, 1933, with a Dominion charter. Authorized capital, 500 shares of no par value. Wholly owned by parent company.

Earn. per Share and Div. Record—

	1935	1934	1933
Common: Earned	$3.95	$3.77	$3.79
Paid	3.00	3.00	3.00

Seven Years Earnings—

Year	*Earnings $	Dividends $	Surplus $
1929	379,765	120,716	500,246
1930	379,754	171,573	788,427
1931	300,000	172,513	836,744
1932	281,262	172,500	945,506
1933	218,037	172,500	987,043
1934	216,687	172,500	1,090,594
1935	226,860	172,500	1,144,954

*After all operating expenses and provisions for bonus, depreciation, income taxes and in all years except 1931, depreciation in market value of bonds and reserve against investment in associated company.

Market Record—

	*1936 H	L	1935 H	L	1934 H	L
Com.	70	64¾	67	59	60	47

*To Oct. 22.

Hunt's Ltd.

Expansion Plans Increase Sales But Require Money

Hunt's Ltd. has undertaken considerable expansion of activity and as a result sales have been increasing, but substantial capital outlays have been necessary.

The company operates a chain of retail stores in Ontario selling confectionery, ice cream and baked goods which are made in its own bakeries. It also operates tea rooms, restaurants and a catering service. The large "Savarin" restaurant in Toronto, formerly owned by Traymor's Ltd. is now operated by Hunt's and is being equipped to sell beer and wine.

Eventually, the management expects the expansion programme to be reflected in earnings. Apparently the rise of the company's shares is based on anticipations that favorable results will be realized.

Capitalization—

	Authorized	Outstanding
Class A	100,000 shs.	18,656 shs.
Class B	15,000 shs.	15,000 shs.

No par value.

Dividend Record— Classes A and B—None at present. $1 per annum paid in 1929 and 1930; increased to $1.40 Apr., 1931; decreased to $1 July, 1932, and to 50 cents Apr., 1933; deferred July, 1935; none since. Bonus of 50 cents per share paid Jan., 1930, and Jan., 1931.

Subsidiary— Modern Properties, Ltd.—Formed in 1930 to take over property on Bloor St. near Yonge St., Toronto. Wholly owned.

Head Office— 65-67 Walker Ave., Toronto.

Officers and Directors— Officers—H. W. Hunt, pres. and man. dir.; L. K. Hergert, sec.-treas.

Directors—H. W. Hunt, J. A. Young, J. H. Ratcliffe, L. K. Hergert, all of Toronto; H. S. Spicer, Hamilton.

Earnings per Share and Dividend Record—

Classes A & B:	1935	1934	1933
Earned	nil	nil	nil
Paid	nil	$0.50	$0.50

Seven Years Earnings—

Year	Earnings $	Dividends $	Surplus $
1929	139,360	53,594	216,513
1930	138,897	50,484	251,072
1931	102,985	47,118	172,691
1932	50,041	37,021	135,047
1933	39,230	16,832	106,967
1934	33,089	16,832	71,316
1935	12,556	......	31,311

Market Record—

	*1936 H	L	1935 H	L	1934 H	L
Class A	17	4¼	11	3	19	9
Class B	18	6	11	3	16	8½

*To Oct. 21.

Fanny Farmer

U. S. Candy Chain Has Higher Sales — Expect Better Profits

Fanny Farmer Candy Shops Inc. have been gradually expanding its store chain in the United States, and is expected to show an increase in earnings this year.

Up to the end of September, the company had an increase of 15.4% in sales over the corresponding 1935 period. However, heaviest sales are usually made in the last months of the year and yield a major portion of annual profits. This year's sales are expected to exceed $5 millions compared with a total of $4.8 millions in 1935.

The present shares represent a 4 for one split of former common stock, on which dividends were paid at $1 a share in 1933. Consequently, the present regular dividend of 50 cents a share annually is double the old rate. An extra dividend of 12½ cents a share has already been paid in 1936. The company's earnings warrant extra payments from time to time, particularly since the U. S. Government is now levying special taxes on corporations that do not distribute the major part of earnings.

Last year, the company's working capital was over $1.1 million. Costs of expanding the store chain, now numbering nearly 200 shops, are comparatively small, so that with the prospective increase in earnings this year there are expectations further extra dividends will be forthcoming.

The company's chain of one-price retail candy shops extends through the eastern United States and into the most populous areas of the middle west. They are operated on the unit system, with a local "studio" factory supplying the retail shops in each district.

The company is under similar management to Laura Secord Candy Shops in Canada, but owing to the wider market in the United States has indicated greater possibilities of expansion.

Capitalization—

	Authorized	Outstanding
Com., par $1	400,000 shs.	*390,468 shs.

*Outstanding in the hands of the public. In addition the company has purchased and registered in its own name, 9,532 shares.

Dividend Record— Common—Present rate 50c. per share per annum, payable April, July and Oct. 1, and Dec. 31; initial dividend of 6¼c. paid Dec. 31, 1934, along with a bonus of 6¼c.; similar dividend and bonus paid April 1, 1935. Rate established at 50c. per annum with payment of 12½c., July 1, 1935. Extra dividend of 12½c. paid Oct. 1, 1936.

Head Office— Rochester, N.Y.

Officers and Directors— Officers—F. P. O'Connor, pres. and chm.; J. D. Hayes, 1st vice-pres.; W. J. O'Connor, 2nd vice-pres.; C. P. Moher, 3rd vice-pres.; C. H. Ellston, sec.-treas.

Directors — F. P. O'Connor, J. D. Hayes, Toronto; C. H. Ellston, M. I. Farrell, J. P. Hogan, Rochester.

Earn. per Share and Div. Record—

	1935	1934	1933
Com.: Earned	1.28	†1.06	1.77
Paid	0.50	0.12½	...

†Based on net profit and on new shares shares outstanding at end of year.

Seven Years Earnings—

Year	Earnings $	Dividends $	Surplus $
1929	529,661	148,953	1,182,003
1930	407,809	142,906	1,324,955
1931	278,722	139,146	1,282,344
1932	189,725	86,417	1,326,095
1933	286,256	134,437	880,885
1934	547,879	167,726	568,649
1935	626,078	195,239	874,121

Market Record—

	*1936 H	L	1935 H	L	1934 H	L
Common	20	13¼	13⅞	7⅝	9⅜	7

*To Oct. 20.

Moir's

Earnings Record Substantial Improvement Last Year — Prospects Encouraging

Moir's Ltd., Halifax, manufacturers of confectionery and bakery products are said to be experiencing a further improvement in earnings. It is rather difficult to say at this time just how the year will turn out, as the volume of orders received at this time will largely determine revenue outcome for the full 12 months.

Last year Moir's had a net income available for bond interest of $104,404 as against only $18,435 in 1934. The management consider the returns for last year satisfactory in view of the continued competition and decline in the selling price of some of the company's products.

Capitalization—

	Authorized	Outstanding
Com., n.p.v.	20,000 shs.	15,500 shs.
1st pref., par $100	$975,000	$975,000

Funded Debt— 1st mtge. S. F. 6% bonds, due 1953, outstanding $750,000. Interest accrues from Jan. 1, 1935.

Dividend Record— First Preference—Entitled to 6% per annum, cumulative from Jan. 1, 1935. None paid; in arrears, as at Dec. 31, 1935, to the extent of $6 per share.

Officers and Directors— Officers—J. C. MacKeen, pres.; W. K. McKean, vice-pres.; W. B. Proctor, man. dir.; Thomas Hood, sec.-treas.

Directors—J. C. MacKeen, W. B. Proctor, W. K. McKean, Hon. J. Fred Fraser, C. W. Stairs, D. R. Turnbull, Halifax, N.S.

Head Office— Halifax, N.S.

Times Bond Interest Earned—

	1935	1934	1933
Before deprec.	2.32	...	...
After deprec.	1.00	...	...

Borden Co.

Better Results of 1935 Continue Into 1936

Borden Co. does an international business in milk and its products in North America. It is so strong that it has been able throughout the depression to pay dividends which in some years have fallen a couple of million dollars short of being earned.

Through Borden's Ltd. it controls very important companies in Montreal, Toronto, Ottawa, Hamilton, the Border Cities and Niagara Falls.

Capitalization—

	Authorized	Issued
Com., n.p.v.	500,000 shs.	492,421 shs.

All owned by parent company except directors' qualifying shares.

Head Office— Toronto.

Officers and Directors— Officers—J. W. McConnell, chm. of board; S. J. Moore, pres.; G. M. Waugh, Jr., vice-pres.; E. L. Noetzel, treas.; W. H. Rebman, sec.; G. Bittner, H. K. Kramer, F. W. Schwartz, asst. treas.; T. D. Waibel, asst. sec.; Lt. Col. C. M. Ruttan, vice-pres. i/c public relations.

Directors—Hon. C. C. Ballantyne, Sir C. Gordon, J. W. McConnell, Hon. Donat Raymond, Montreal; G. C. Edwards, Ottawa; P. D. Fox, E. B. Lewis, A. W. Milburn, New York; S. J. Moore, Britton Osler, Toronto; H. D. Walker, Walkerville; Maj.-Gen. S. C. Mewburn, Hamilton; T. G. Montague, Lt. Col. C. M. Ruttan, R. D. Ward, G. M. Waugh, Jr.

The Canadian operating companies are: **The Borden Co. Ltd., City Dairy Co. Ltd., Caulfields Dairy Ltd., The Drimilk Co. Ltd., Toronto; Hamilton Pure Milk Dairies, Ltd., Hamilton; Ottawa Dairy, Ltd., Chateau Cheese Co. Ltd., Laurentian Dairy Ltd., Ottawa; Walkerside Dairy, Ltd., Windsor, Ont.; Borden Farm Products Co. Ltd., J. J. Joubert Ltee., Halls Ltd., Montreal; Borden's Niagara Dairies, Ltd., Niagara Falls, Ont.**

David et Frère

Competitive Conditions Tend to Keep Down Firm's Earnings

David et Frère, Montreal biscuit and confectionery manufacturers, reported a somewhat smaller income during 1935 than was the case in 1934.

Competitive conditions in the field served by this company have been particularly severe and last year an association was formed, with the object of raising the selling price in order to return a reasonable profit to the producers.

This association was unsuccessful, and late in 1935 the company undertook an internal reorganization with the result that earnings were sufficient to cover depreciation and other reserve for the quarter ended Jan., 1936.

Some improvement has been recorded in the financial position of the company and it is anticipated that results for the current year will be somewhat better than in 1935.

Capitalization—

	Authorized	Outstanding
Class A non-cum.	23,000 shs.	23,000 shs.
Class B	23,000 shs.	23,000 shs.

(No par value).

Funded Debt— None.

Dividend Record— Class A—None at present; $2.25 paid regularly from Sept. 15, 1928 to June 15, 1931; reduced to $1 per annum, Sept. 15, 1931; passed March 15, 1932; none since. Class B—None paid.

Head Office— Montreal.

Officers and Directors— Officers — De Gaspé Beaubien, pres.; Henri Merrill, vice-pres. and gen. mgr.; L. R. Philie, sec.-treas.

Directors—De Gaspé Beaubien, Henri Merrill, George O. Soucie, Emilien Gadbois and F. A. Beique, all of Montreal.

Seven Years Earnings—

Year	Earnings $	Dividends $	Surplus $
1929	116,815	51,750	114,196
1930	103,127	51,570	160,212
1931	‡13,157	37,490	71,001
1932	15,688	......	54,266
1933	11,913	......	34,564
1934	21,785	......	25,047
1935	‡3,278	......	‡9,979

‡Loss or deficit.

Market Record—

	*1936 H	L	1935 H	L	1934 H	L
Class A	4	2	4	1¾	2⅜	2
Class B	1¼	½	1	½	1⅛	1

*To Oct. 22.

United Dairies

United Dairies Ltd., controls 28 creameries and distributing centres in Alberta and British Columbia. Earnings have been irregular in recent years, so that full dividends on first preference shares have not been paid. Dairy Corp. of Canada owns 10% of the common shares.

Capitalization—

	Authorized	Issued
1st pref. 6½% Par $100.	$1,000,000	$752,200
2nd pref. 6% Par $100.	400,000	400,000
Common (n.p.v.)	50,000 shs.	50,000 shs.

Funded Debt— None.

Dividend Record— 1st Preferred—Entitled to 6½% p.a. cumulative, payable Jan. and July 2; paid regularly to July 1, 1932; 2% paid Jan. 1, 1933; 1% Jan. 2, 1934; $1.75 July 2, 1934; 1% paid July 23, Nov. 15, 1935, and Feb. 15, 1936. 2nd Preferred—Entitled to 6% cumulative, payable Jan. and July 2; none paid. Common—None paid.

Head Office— Calgary.

Officers and Directors— T. M. Carlyle, pres.; D. Morkeberg, vice-pres.; A. D. Campbell, E. Richardson, sec.; W. N. Henderson, E. T. Love, J. T. Burns, H. A. Howard, Mrs. J. W. Carlyle, R. W. Ward.

Earnings— Statement of income and expenditure for year ended June 30, 1935, showed: Aggregate losses, less profits of subsidiary companies, $22,849; general expenses, interest and exchange, after adjustment, $4,258; loss for year, $27,107. Previous surplus, $28,363; surplus forward, $1,256.

Eastern Dairies

Government Control of Milk Business Makes Operations Difficult — Taxes Add to Problems

Government control of the milk business in the areas wherein Eastern Dairies operates, has not been conducive to profitable operations. The price of milk and cream paid to the producer advanced, with no compensation to the dairy companies. In addition the ice cream price war in Toronto, plus a sharp increase in taxation on this product, has tended to limit income.

On the whole sales volume has held up well this year, but profits are not in line. While the company still has another 5½ months to go to complete the current fiscal year, expectations are that there will be no marked change in earnings from that reported last year, when, after providing for interest, depreciation charges and bond discount, there was small deficit.

Capitalization—

	Authorized	Outstanding
Com. (n.p.v.)	*200,000 shs.	95,000 shs.
Pref. 7% cum. ($100 par).	$5,000,000	$2,500,000

*39,767 reserved for conversion of series A bonds.

Funded Debt— 6% first collateral trust convertible series A bonds, due 1949, outstanding $2,840,500.

Dividend Record— Preferred—Entitled to 7% per annum, cumulative, payable quarterly, Jan., Apr., July and Oct. 15. Initial payment made July, 1926, and regularly to and including Jan. 15, 1933; none since. Common—None at present. Initial dividend of 25c. paid Nov., 1930, and regularly quarterly at that rate to and including Aug. 1, 1932;; since passed.

Subsidiaries— All the companies acquired have been consolidated under these subsidiaries:

Elmhurst Dairy, Ltd.—Operates dairy plant, 2 distribution depots, 2 creameries in Montreal and district.

The Producers Dairy, Ltd.—Company and subsidiary, Hull Dairy, Ltd., operate dairy plant, distributing depot, 2 creameries and a cheese factory in Ottawa and district.

Crescent Creamery Co., Ltd. — Winnipeg.

Acme Farmers Dairy, Ltd.— Toronto and Hamilton.

Head Office— Montreal.

Officers and Directors— Officers—W. R. Aird, pres. and man. dir.; P. A. Thomson, vice-pres.; E. W. King, sec.-treas.

Directors—W. R. Aird, A. J. Nesbitt, C. B. Price, P. A. Thomson, H. R. Trenholme, all of Montreal.

Times Bond Interest Earned—

Years ended Mar. 31:	1936	1935	1934
Before depr.*	1.99	2.45	2.15
After depr.*	0.76	1.18	1.06

*Times bond interest and premium paid and accrued.

Earn. per Share and Div. Record—

Pref.: Earn.†	nil	$0.46	$0.04
Paid— Cres. Creamery	nil	nil	1.00

†Before income tax; calculated on combined preferred shares of company and subsidiaries then outstanding.

Seven Years Earnings—Yr. end. Mar. 31:

Year	Earnings $	Dividends $	Surplus $
1930	724,987	279,682	153,442
1931	835,380	340,574	248,794
1932	801,689	383,099	257,682
1933	491,563	272,525	40,631
1934	396,046	*10,000	27,762
1935	431,625	......	35,773
1936	349,577	......	9,223

*Crescent Creamery Co. dividends.

Market Record—

	*1936 H	L	1935 H	L	1934 H	L
Common	3¼	1½	3½	1½	5	2
Preferred	16¾	8½	20	12	..	..

*To Oct. 22.

CRESCENT CREAMERY
(Subsidiary of Eastern Dairies)

Capitalization—

	Authorized	Outstanding
Pref., par $100	$1,450,000	$1,000,000
Common, n.p.v.	50,000 shs.	50,000 shs.

Common all owned by parent company.

Dividend Record— Preferred 7% per annum, cumulative, payable Jan., Apr., July and Oct. 15. Paid regularly to and including Apr. 15, 1933; none thereafter until $1 paid Apr. 16, 1934. None since.

Head Office— Winnipeg.

ACME FARMERS DAIRY
(Controlled by Eastern Dairies)

Capitalization—

	Authorized	Outstanding
Common*, n.p.v.	150,000 shs.	83,420 shs.
Pref., par $100	$750,000	$700,000

*All common stock is owned by Eastern Dairies, with the exception of directors' shares.

Funded Debt— Consists of $700,000, 7% debenture notes due 1949, held as collateral for the parent company's funded debt.

Dividend Record— Preferred—7% per annum, payable Feb. and Aug. 10. Paid regularly to and including Feb. 10, 1933; since passed.

Head Office— Toronto.

Silverwoods

Net Returns Larger For Last 6 Months — Completes Refinancing

Net profits of Silverwood Dairies, Ltd. for the year ended Mar. 28, 1936, were slightly lower than in the preceding year, but have been improving in the current year.

This has been accomplished after absorbing the increased sales tax. Gross profits per gallon of ice cream were reduced by the increased tax, and by the higher cost of milk for manufacturing purposes even though sales were higher.

On April 28, 1936, the court gave its approval to a plan of reorganization by which all the assets and liabilities of 25 wholly-owned subsidiaries were concentrated under the ownership of one company, Silverwood Dairies. The charters of the subsidiary companies have been surrendered and old preferred and common shareholders were given new securities.

Issue 5% Bonds

On Sept. 1 old debentures and outstanding bonds were called and a 5% bond issue replaced obligations on which interest rates ran as high as 8%. Consolidation brings a very important saving as well in income tax and in operating expense.

The company has today no bank obligations. After providing for outstanding securities with the recent bond issue, it will have a consolidated credit balance of nearly $200,000. In the past, bank loans ran as high as $300,000.

Payment of interest on new 6% debentures Oct. 1, was the equivalent of 3% on the original old preferred investment. No dividends have been paid yet on the new preferred stock, but these are cumulative from April 1.

Capitalization— (After giving effect to 1936 reorganization).

	Authorized	To be Outstanding
Pref., n.p.v.	145,000 shs.	145,000 shs.
Com., n.p.v.	1,000,000 shs.	176,390 shs.

Funded Debt— 1st refund. mtge., 5% serial bonds, 1937 to 1941, $1,200,000. 6% registered s. f. debs., due, 1966, $1,450,000. 6% collateral trust s. f. debs., series A (Silverwood's Dairies) outstanding $584,702.

Dividend Record— Preference — entitled to 40 cents per annum, cumulative, payable Apr. and Oct. 1, after which payment stock will participate rateably with common if common have received cumulative dividends equal to those paid preference shareholders.

Dividends on Old Stock—7% preferred: paid regularly from Oct. 1, 1928, to Apr. 1, 1932, when deferred to June 1, 1932; payment due July 1, 1932, paid July 30, 1932; regularly thereafter to Jan. 1, 1933; reduced to 4% with payment of $1 Apr. 1, 1933; paid regularly at this rate to Jan. 1, 1935, passed Apr. 1, 1935, following purchase of plant of Willard's Chocolates, partly financed by means of a bank loan security for which required payment of all dividends to be deferred until the loan was retired.

Class A and common, 25 cents paid quarterly from Oct. 1, 1928, to July 1, 1931; 12½ cents paid Oct. 1, 1931; none since. All 3 classes payable Jan., Apr., July and Oct. 1.

Head Office— London, Ont.

Officers and Directors— Officers—A. E. Silverwood, pres.; W. E. Robinson, vice-pres.; J. H. Duplan, gen. mgr.; J. H. Gillies, sec.-treas.

Directors — A. E. Silverwood, W. E. Robinson, G. H. Belton, R. G. Ivey, London, Ont.; E. K. Reiner, Wellesley, Ont.; E. W. Nesbitt, Woodstock, Ont.; W. H. Carruthers, Dr. L. E. Pollock, Toronto.

Earnings per Share and Dividend Record—

Years end.:	Mar. 30 1935	Mar. 31 1934	Apr. 1 1933
7% Pref.: Earned	$5.08	$3.61	$6.83
Paid	3.00	4.00	6.25

Earnings—Years ended March 31:

Year	Earnings $	Dividends $	Surplus $
1932	665,140	285,490	1,359
1933	541,675	203,150	1,507
1934	427,805	120,869	5,155
1935	519,912	87,405	1,550

Highland Dairy

Highland Dairy, which was formed to acquire the retail milk distributing business of Crescent Dairy, Toronto, and A. J. Hancock, New Toronto, has paid preferred dividends to date through the depression.

Capitalization—

	Authorized	Outstanding
Com., n.p.v.	*30,000 shs.	19,534 shs.
Pref., par $100	$500,000	$154,000

*10,000 shares reserved for conversion of preferred.

Dividend Record— Preferred 7% per annum, payable Jan., April, July and Oct. 1; paid regularly to date. Common: none paid.

Head Office— 674 Ontario St., Toronto, Ont.

Officers and Directors— Directors—F. F. Appleton, pres.; R. J. MacDonald, man. dir.; M. M. Kennedy, sec.-treas.; D. C. Kay, Forest Hill, Toronto; Talmage Bryan, Sunderland, Ont.

Dairy Corp.

Bank Loans Create Problem — Pays Interest in A Shares

Dairy Corp. of Canada has obtained consent of its debenture holders to accept payment of interest due in 1937 and 1938 in the form of class A shares instead of cash. Earlier this year the company planned a general consolidation of its 6 subsidiaries, but it was not effected.

The company has had an involved banking situation with a deficiency in working capital. As a holding company the principal assets of Dairy Corp. are shares of its operating subsidiaries. Most of these have been deposited as security for bank loans so that earnings of subsidiaries cannot be drawn down readily for the benefit of holders of Dairy Corp. securities.

Bank Loans First

The company may eventually endeavor to fund bank loans by issue of bonds provided business continues to improve as it did in 1935. Until bank loans are either funded or paid off from earnings of subsidiaries, there is little prospect of cash payments on Dairy Corp. securities.

Capitalization—

	Authorized	*Outstanding
Class A, n.p.v.	75,000 shs.	54,316 shs.
Class B, n.p.v.	75,000 shs.	35,800 shs.

*As at Jan. 1, 1936, of these, Edmonton City Dairy held 6,032 class A and 2,180 class B shares; Canada Dairies held 8,335 class A and 100 class B shares, and City Dairy held 150 class A shares.

Dividend Record— Classes A and B—None paid.

Funded Debt— 6% s. f. gold debs., due 1954, outstanding $636,000.

Subsidiaries—

City Dairy, Ltd.

Purity Dairy Products, Ltd.—Formerly the Davis Dairy, Ltd. Engaged in wholesale and retail milk business in Saskatoon, Sask. Dairy Corp. owns all common stock.

Edmonton City Dairy, Ltd.

Mount Royal Dairies, Ltd.

The Purity Dairy, Ltd.—Regina, Sask. Controlled by Dairy Corp.

Purity Ice Cream Ltd. — Winnipeg, Man. Controlled by Dairy Corp.

Canada Dairies, Ltd.—Toronto. Incorporated to take over company of same name. Control bought by Dairy Corp. in 1931. Funded Debt—6% first and refunding mortgage s. f. bonds, due 1951, outstanding $132,200.

Interest in Other Companies— United Dairies, Limited—As at Dec. 31, 1933, Dairy Corp. held 5,000 common shares.

Woodland Dairies, Limited—As at Dec. 31, 1933, Dairy Corp. held 27,000 shares.

Head Office— Toronto.

Officers and Directors— Officers—J. A. Caulder, pres. and man. dir.; R. A. Daly, vice-pres.; H. W. Tasker, sec.-treas.

Directors—J. A. Caulder, R. A. Daly, A. H. C. Bearisto, W. P. Fess, R. N. Bryson, H. G. Stapells, Toronto; W. W. Prevey, Edmonton; G. E. Gibbard, Napanee.

CITY DAIRY, LTD., of Winnipeg
(Controlled by Dairy Corporation)

Capitalization—

Cl. A pref., n.p.	4,500 shs.	4,500 shs.
Cl. B com., n.p.	5,000 shs.	3,000 shs.

Funded Debt— 6% 1st mtge. s. f. bonds, series A, due 1948, outstanding $221,700; series B, due 1950, outstanding $183,500.

Sinking fund payments on series A, due 1934 and 1935, waived until June 1, 1948, on series B waived until Mar. 1, 1950.

Dividend Record— New class A and B—None paid to date.

Head Office— Winnipeg.

Officers and Directors— Officers—J. A. Caulder, pres; D. H. Ross, vice-pres.; R. J. L. Ball, gen. man.; Max McCrea, sec.-treas.

Directors—J. A. Caulder, Toronto; D. H. Ross, E. W. Kneeland, W. E. Milner, Harry Strange, E. W. McLean, R. J. L. Ball, Winnipeg.

EDMONTON CITY DAIRY
(Controlled by Dairy Corporation)

Capitalization—

	Authorized	Outstanding
Pref., par $100	$1,000,000	$778,800
Common, n.p.v.	30,000 shs.	30,000 shs.

Dairy Corp. owns over 5,200 pref. and over 29,400 com. shares.

Dividend Record— Preference—6½% per annum, cumulative, payable quarterly Jan., Apr., July and Oct. 1. Initial dividend paid Apr. 1, 1929, and regularly since.

Common—Initial dividend of $1 per share paid Jan. 2, 1930. None since.

Head Office— Edmonton.

Officers and Directors— Directors—W. W. Prevey, pres.; F. J. Reynolds, asst. gen. mgr. & sec., Edmonton; J. A. Caulder, vice-pres., Toronto; F. Bottomley, treas., H. P. Madsen, W. A. Thompson, Edmonton; Chas. Burnell, North Edmonton.

Ontario's Soap

The bulk of soaps, washing compounds and cleansing preparations produced in Canada last year came from Ontario factories which turned out these items to a value of $12.7 millions, out of a Dominion total of $16 millions.

Would Compel Use Of Standard Cans

Quebec Retail Merchants Want Odd Sizes Eliminated

Standardized containers for the fruit and vegetable industry in Canada are again to the fore following the annual meeting of the Quebec branch of the Retail Merchants Association says Canadian Grocer. This body is requesting the Government to compel the use of standard containers to prevent deception by odd sizes.

A year ago government officials set out to standardize this business but objections from canners and retailers have so far delayed any action. Chief objection by the canners is that to compete successfully in a number of export markets they have to use several odd-size containers. To offset this contention it has been proposed canners be permitted to use such containers for export trade, but be compelled to stick to the standard ones in the domestic market. The canners' answer is that it is impossible to gauge the amount of export business in advance and in certain years they would have a considerable surplus which could not be marketed in Canada thus entailing losses.

Retailers say their customers are accustomed to odd-size containers— the 10½-ounce and 25-ounce soup cans; the 17-ounce tin of canned vegetables, for example—as they fill the requirements of certain sized families.

A Distinguished Reputation

The Millers of Purity Flour have built a Canada-wide reputation on the sound foundation of Quality. By the most exacting test of all — the goodwill of housewives and bakers throughout Canada — this Company has held its leading position for over thirty years.

PURITY FLOUR

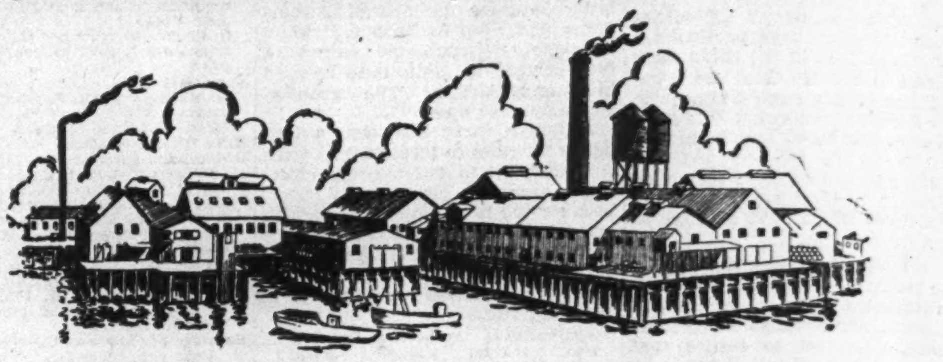
Best for All Your Baking

Milled by Western Canada Flour Mills Co., Limited.

Head Office: Toronto; Branches from Coast to Coast. Mills at: Goderich, Winnipeg, Brandon, Calgary and Victoria.

Other leading products: Purity Rolled Oats; Purity Salt; Hovis Flour; Pioneer Poultry Feeds.

CONNORS FAMOUS SEA FOODS



PROFIT MAKERS — AT HOME AND ABROAD

Wholesalers and retailers buy readily what they can sell easily. That's why Connors Brothers Sea Foods are famous in Canada and in over 100 export countries. The consumer likes them — and buys them — 36,000,000 tins of fish products in 1935.

Such volume keeps the price low for the consumer, whilst maintaining profits for distributor and retailer.

Brunswick, Jutland, Glacier and Dining Car Special Sardines—Chicken and Finnan Haddies—Herring, Fresh Kippered or in Tomato Sauce — Clams Kippered Snacks.

CONNORS BROS. LIMITED

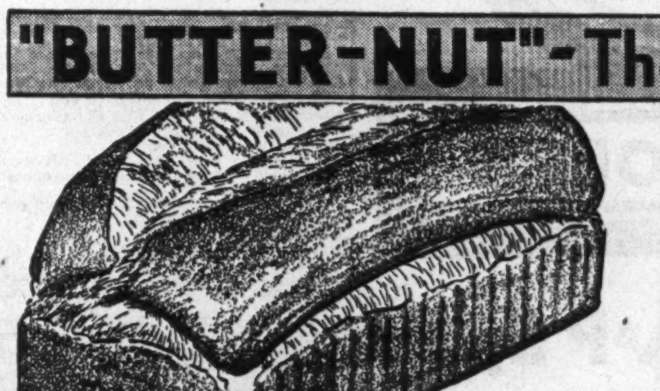
Black's Harbour, N.B., Canada

When Quality Counts Canada Bread Wins

There's only one way we can account for the growth of this company from a small beginning to the greatest bread business in the Dominion. It is because we have made "QUALITY" the foundation of our business. In ever-growing numbers people have come to know that the words "CANADA BREAD" stand for "QUALITY". And so almost every day new customers have been added to our list.

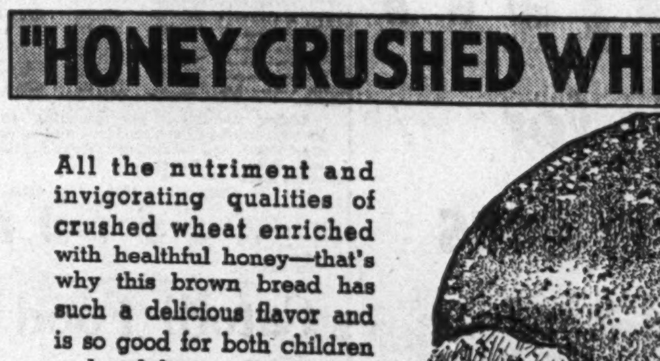
Does QUALITY count with you? Then try any one of our loaves and Canada Bread will win another customer.

"BUTTER-NUT"-The Old Favorite



After many long years on the market, "Butter-Nut" is more popular with both young and old than at any time in its history. It is "Rich as Butter, Sweet as a Nut". A big white loaf that cuts into large-size slices. A healthful, wholesome family bread.

"HONEY CRUSHED WHEAT"-Nutritious



All the nutriment and invigorating qualities of crushed wheat enriched with healthful honey—that's why this brown bread has such a delicious flavor and is so good for both children and adults. You'll like "Honey Crushed Wheat"— doubly so if you are a brown bread fan.

CANADA BREAD COMPANY, LIMITED

"The QUALITY Goes In Before The NAME Goes On"

Seventy-Five Years Young

A QUALITY PRODUCT never grows old. It keeps fresh in the minds of its users because they like it. And the new generations are told of its goodness.

Such is the consumer-satisfying product — "BENSON'S PREPARED CORN" which, for over seventy-five years, has been the favorite of Canadian Housewives. Other products of the Canada Starch Company, with widespread consumer demand, include the famous "CROWN BRAND" and "LILY WHITE" Corn Syrups, "CANADA" and "CHALLENGE" Corn Starches, and "MAZOLA", the Salad and Cooking Oil.

"Syrup Symphonies" the Monday night Radio Concert, is telling the good news every week of "CROWN BRAND" Corn Syrup for another season.

THE CANADA STARCH COMPANY LIMITED

MONTREAL TORONTO

All Economic Areas Reveal Improvement

Moderate Gains Shown in Quebec and Ontario Indices While Sharper Upward Trend Noted in Maritimes, Prairies and British Columbia

Business improvement was accelerated in all economic areas in September according to The Financial Post regional indices. The increase was moderate in Quebec and Ontario, while sharp gains were recorded in the other 3 economic areas.

Employment and bank debits were strong factors in September, gains being shown in each of the economic areas. Electric output showed gain in each area except Ontario. The award of construction contracts was heavy in the Maritimes and British Columbia.

Maritimes

The business index of the Maritime Provinces showed an increase of 4½%, the marked gain being due to advances in 4 factors. A new high point since December, 1931 at 124 was reached for the index. Business operations in the Maritimes have definitely broken away from the depression period extending from 1932 to the early part of this year. Contracts awarded, including a railway bridge at Fredericton showed a marked gain in September.

The activity in the industrial area of Sydney and vicinity speeded up considerably. Nine collieries of the Dominion Coal Co. produced 98,596 tons of coal in a recent week, there being 8,000 employees on the company's pay rolls. The steel plant of the Dominion Iron and Steel Co. at Sydney was active with 3,319 men.

Crop in the Maritime Provinces were excellent. The potato crop of Prince Edward Island was double that of last year and indications point to satisfactory prices.

Quebec

The business index of Quebec advanced from 125.2 to 126.8 a gain amounting to 1.3%. Eight of the 9 underlying factors showed appreciable gains in this connection. The new business obtained by the construction industry was at a low point, although a large percentage gain was shown in building permits.

Three industries showed considerable gain. The output of boots and shoes was up 8% and newsprint production after seasonal adjustment showed a gain of 4%. Raw cotton imports indicating potential production in the textile industry showed a gain of 54.5%.

Ontario

A minor increase of 0.6% was shown in the business index of Ontario, the standing in September having been 112.6. Seven of the 9 factors used in this connection showed gains.

Prairie Provinces

The index for the Prairie Provinces advanced from 116.7 to 120.1, a gain of nearly 3%. Five of the 8 factors considered showed advances. Building permits and construction contracts receded to a lower level.

Wheat receipts at country elevators were 57,728,000 bushels against 40,789,000 in August. The increase, however, was much less than normal for the season.

British Columbia

An important increase was shown in the index of business operations in British Columbia leading to a new high point on the recovery. The index stands at a higher position than at any time since July 1929. Six of the 7 factors involved showed gains; life insurance sales were down.

Trend of Business in the Five Economic Areas Shows

	Sept. 1936	Sept. 1935	Aug. 1936	Inc. or Dec. Sept. 1936-1935
Maritimes:				
Construction contracts .... $	2,865,000	1,111,000	1,570,000	+157.9
Building permits .... $	205,000	114,000	211,000	+ 79.8
Life insurance sales $000	2,054	1,827	2,164	+ 12.4
Bank debits $000,000	51.7	46.7	47.9	+ 10.7
Electric power .... kw.h. 000	52,254	44,442	49,693	+ 17.6
Employment .... 1926 = 100	117.9	112.9	114.4	+ 4.4
Tonnage of vessels cleared	373,540	393,255	386,113	— 5.0
Index	124.0	111.0	118.7	+ 11.7
Quebec:				
Construction contracts .... $	2,878,000	4,682,000	3,751,000	— 38.5
Building permits .... $	894,000	584,000	839,000	+ 53.1
Life insurance sales $000	7,096	7,721	6,835	— 8.1
Bank debits $000,000	859	702	789	+ 22.4
Electric power .... kw.h. 000	1,031,592	1,045,369	1,027,088	— 1.3
Employment .... 1926 = 100	106.0	103.1	103.0	+ 2.8
Imports of raw cotton .... lb.	9,262,674	5,856,786	7,096,721	+ 58.2
Newsprint production .... tons	269,782	223,892	270,053	+ 20.5
Index	126.8	122.7	125.2	+ 3.3
Ontario:				
Construction contracts .... $	6,646,000	6,383,000	6,629,000	+ 4.1
Building permits .... $	1,858,000	1,618,000	1,815,000	+ 14.8
Life insurance sales $000	12,078	11,454	10,143	+ 9.3
Bank debits $000,000	1,391	982	1,094	+ 41.6
Electric power .... kw.h. 000	633,435	546,865	635,646	+ 15.8
Employment .... 1926 = 100	112.6	108.1	108.1	+ 4.2
Livestock slaughterings .... 1926 = 100	157.8	110.6	144.3	+ 42.7
Steel production .... tons	86,077	90,952	80,164	— 5.4
Automobile production .... No.	4,655	5,323	4,660	— 12.5
Index	112.6	102.7	111.9	+ 9.6
Prairie Provinces:				
Construction contracts .... $	1,127,000	1,828,000	2,133,000	— 38.3
Building permits .... $	351,000	716,000	430,000	— 51.0
Life insurance sales $000	3,676	3,269	3,388	+ 12.5
Bank debits $000,000	656	564	523	+ 16.3
Electric power .... kw.h. 000	135,045	124,220	117,946	+ 8.7
Employment .... 1926 = 100	108.6	102.7	107.4	+ 5.7
Wheat receipts .... bushels	57,728,000	73,178,000	40,789,000	— 21.1
Wheat prices .... $ per bushel	1.039	.902	1.023	+ 15.2
Index	120.1	113.1	116.7	+ 6.2
British Columbia:				
Construction contracts .... $	3,043,000	740,000	1,452,000	+311.2
Building permits .... $	337,000	300,000	377,000	+ 12.3
Life insurance sales $000	1,880	2,171	2,192	— 13.4
Bank debits $000,000	175.8	131.4	166.1	+ 33.8
Electric power .... kw.h. 000	151,364	127,117	153,724	+ 19.1
Employment .... 1926 = 100	103.1	108.0	109.3	+ 2.0
Tonnage of vessels cleared	1,022,832	987,101	1,170,771	+ 3.6
Index	124.2	110.0	120.1	+ 12.9

Trend of Business Across Dominion

Commodity Prices

	Latest week	Previous week	Same week last yr.
Cattle	$5.75	$5.75	$6.25
Hogs	8.50	8.75	9.50
Copper, lb.	.09¾	.09¾	.09¼
Cotton, lb.	.1213	.1242	.1130
Rubber, lb.	.1650	.1647	.1331
Sugar, raw, lb. ..	.0335	.0335	.0360
Silk, lb.	1.86	1.78	2.27
Wheat (Man.) bus.	1.10½	1.12¼	.86⅞
Coffee, lb.	.08¼	.08	.06¾
Hides	.11½	.11½	.12½
Weekly Indices			
N. Y. Annalist	126.8	127.4	129.1
Fishers'	84.0	83.9	85.3
N. Y. Journal of Comm.	80.9	81.6	81.5
Crumps (Brit.)	73.0	72.5	68.7
U. S. Labor	81.2	81.3	80.7
Canada (D.B.S.) ..	77.1	76.7	73.0

Monthly Indices

	Latest month	Prev. month	Same last year
Canada (D.B.S.)			
Retail (Aug.)	81.9	81.0	79.6
W'sale (Aug.) ...	76.4	76.2	72.4
U. S. Labor (Aug.).	81.6	80.5	80.5
Gt. Brit. (July) ...	82.0	81.1	77.1

Note: The base of indices is that 1926 equals 100. The British index is Board of Trade converted to 1929 = 100 base.

Base of price quotations is as follows: Cattle—Steers, good, over 1,050 lb., top price. Toronto: Copper-electrolytic, New York: Silk—Japanese, 13-15, New York: Sugar—96 degrees contrifugal c/f New York: Wheat—No. 1 Man. North., Ft. W.-Pt. A. basis: Hides—No. 1 packer light native cows, New York; Hogs — select bacons, Toronto.

New Manager of Radio Has Had Lively Career

Gladstone Murray, Debater, Flyer and Writer —Born in B. C.

From Our Own Correspondent

VANCOUVER. — William Ewart Gladstone Murray, newly appointed general manager of the Canadian Radio Commission, did his first public speaking as a soap-box orator in Powell Street playgrounds in the heart of Vancouver's Jap town. Many people now in Vancouver remember him as a youth with a head seemingly 2 sizes too big for him and a readiness to argue on any given subject at the drop of a hat.

"He was the darnedest debater I ever heard," commented Rowe Holland, prominent Vancouver lawyer. "One day he'd be denouncing capital and haranguing the workers, urging them to rise against their oppressors, and the next day he'd be on just the opposite tack. It didn't seem to matter to Murray what side he took so long as he had the floor."

Born in B.C.

Major Murray's appointment was proud news to the little Fraser Valley town of Maple Ridge, for that is his birthplace. His father, Paul Murray, was a school teacher there for years, and now lives in near-by Pitt Meadows. It was his father who insisted that the young fellow should have a thorough education, and an education he was given, although many a professor sighed with relief when graduation came.

Young Murray wasn't merely an orator. He was captain of a hose squad and a member of the track team and helped to make the initials M.B.C. (McGill in B.C.) famous. But he was most vividly remembered for his pranks. He started the first university daily in Canada while at McGill and he organized a march around Montreal with the famous vaudeville star, Gertrude Hoffman. He became a reporter on the Montreal Herald after graduation in 1912, and a year later was voted Rhodes scholar for Quebec.

Served as Flyer

After war broke out Murray joined the Highland Light Infantry with an Oxford unit, went to France and was one of the first Canadians to join the Royal Flying Corps. He was a secretary in the League of Nations almost from its inception, and from there worked into the British Broadcasting Company, first as a press agent. Repeated promotions made him eventually the programme director.

As director of public relations and manager of publications of the British Broadcasting Corporation, he developed "Radio Times," and founded "The Listener," and "World Radio." There has been no intimation that this particular type of work will be developed by the Canadian Commission though it is understood that the new chairman, L. R. Brockington has for some time been keenly interested in the B.B.C. publications.

Public Relations

He established and maintained the relations between the corporation and the press, government departments, Parliament and the public generally. He has handled the political broadcasting at all British elections since 1924.

He was invited as a special witness to appear before the Parliamentary committee on radio broadcasting of 1932 he was again brought to Canada, this time at the invitation of the then prime minister to make recommendations with regard to the reorganization of the Canadian Radio Broadcasting Commission.

Methods Were Unique

Canadians are mainly interested now in the experience of Major Murray as director of Public Relations in Great Britain. It is what he has done in the British Isles which marked him out for the biggest job in radio in Canada. They want to know how a Canadian came to be chosen for the job in British radio which requires of all the jobs in radio the most tact, the most perspicacity and the most horse sense. His work as secretary of the League of Nations first led to his getting a toe-hold in radio as press agent at a time when the B. B. C. had many critics and few friends.

As Director of Public Relations, Major Murray's methods were unique. They are thus described by Atticus in The Sunday Times, London, Eng.:

"Once a fortnight he would ask 2 or 3 editors to lunch at his club. Murray never told them anything nor asked any favors. Sharp at 2.30 he would end the luncheon no matter how interesting the conversation. Nothing pleases an editor more than to enjoy a lunch without being told something or asked for something. Therefore, Murray's journalistic friends grew in numbers and warmth with each year. The truth was that he was doing a difficult job in a most skilful manner. Then he began to be touted as the coming Tsar of the B. B. C., but the touts were wrong. His shadow fell upon the throne, but that was all. There were other ideas at work.

Calling All Canada

"Now he goes to build up a national broadcasting system which has to compete with the commercially subsidized radio systems of America. This task will be as difficult as it is important. There are no national daily papers in Canada—the distances are too great. Sectional differences are acute, and the sectional influences are powerful. Spiritually as well as literally, the wireless alone can speak to all Canada. It is good to feel that the new Canadian director is a man whose heart is solidly for the Imperial connection, who knows us so well over here, yet sees the greatness beneath our oddities.

"It is a grand job to which he is going, but I hope that sometimes when the Canadian announcer has said "Good night, everybody!" and Major Murray sits by the fireside and watches the smoke curl up the chimney toward the wintry sky, he will recall the smoke which came from the Don's pipe at Oxford and gave him that something which can be found no other way."

This last remark about the smoke from a Don's pipe refers to Professor Stephen Leacock's bon mot that when a student goes to Oxford, he is "smoked at" by a Don. This Rhodes scholar sat at one end of a sofa and the Don smoked at him from the other.

W. E. G. MURRAY

Avoids Labels

In the Sunday Observer, London, England, Hilda Matheson, says that few people at the B. B. C. have avoided labels as successfully as Mr. Murray.

"Very much a Canadian, he is yet very much at home over here," she said.

"Is he highbrow or lowbrow? Are his opinions right or left? Are his interests in programmes or public relations?

"His freedom from labels is a tribute to the wide range of his sympathies. He combines enthusiasm with an amused detachment, both admirable qualities. He has given 12 years hard work to the B. B. C. during its most critical years and it would be difficult to imagine a better preparation for any Canadian called upon to remake broadcasting as a public service in Canada. All his friends, a very large company, will wish him success."

What's What In Advertising

By TORY FLEMING
Editor, Canadian Advertising

Color will play a big part in Studebaker of Canada's 1937 advertising. Consumer literature contains some extremely fine examples of 4-color photography, which will also appear to some extent in magazine advertising. Following its announcement campaign in mid-September, Studebaker, first motor-maker to show 1937 models, is conducting a follow-up campaign. This will culminate in newspaper advertising in conjunction with the Toronto and Montreal motor shows, after which volume will be reduced until opening of the Spring buying season. Studebaker magazine campaign will be confined to a few influential publications, B. A. Brown, advertising manager, tells The Financial Post, with Maclean's Magazine as the spearhead. Copy has already appeared in 4 colors on the third cover of the October 1 issue of the latter publication, and The Financial Post, Saturday Night and Canadian Motorist have also been used. Trade paper copy appeared in Canadian Automotive Trade and a radio programme of dramatized announcements in the form of transscriptions has been on the Canadian air 3 times weekly.

The new Toronto branch of Young & Rubicam, advertising agency, is located in the Daily Star building. C. F. Goodman is in charge.

Full page copy in color is appearing in a few trade papers presenting the new Pompeian Beauty Products. Instructions have gone out from Tandy Advertising Agency, Toronto.

Larger space will appear this season for Pineoleum in rotogravure and dailies. The campaign is placed by A. McKim Ltd. for The Pineoleum Co. of New York.

Life Savers Gum is being boosted in a new contest. "Reasons Why" people like the product are listed on entry forms to be obtained from dealers, the contestant picks out what he thinks are the most important reasons and sends in the entry. The reasons have already been rated by the judges and correct lists filed with a bank. Prizes are awarded each week to winning consumers and to dealers also. At the end of 6 weeks grand prizes will be awarded. Cash prizes total $3,795. The contest is featured in 800- and 600-line advertising in metropolitan dailies. Lord and Thomas of Canada directs the campaign.

As prophesied in this column several weeks ago the Canadian Advertisers Association, in annual meeting in Toronto, Oct. 22-23, reaffirmed its objections to the present agency franchise regulations of the Canadian Daily Newspapers Association. Flexible agency-advertiser relationships are impossible under the restrictions imposed by the dailies, according to the A.C.A., reiterating its request for amendment. What effect this renewal of the A.C.A. stand is likely to have on the C.D.N.A. could not be learned, but directors of the latter are meeting Nov. 3, in Ottawa, preceded by a meeting of the policy committee Nov. 2.

B. W. Keightley, advertising manager of Canadian Industries Ltd., was re-elected president of the Association of Canadian Advertisers at the annual meeting in Toronto. Robert E. Jones, of General Foods Ltd., was elected a vice-president; K. R. Townsend, Canadian Westinghouse Co., C. R. Vint, Colgate-Palmolive-Peet Co., and W. O. H. James, Dominion Bank, were elected directors. Other officers reappointed were—Glen Bannerman, Hudson Motors of Canada Ltd., A. J. W. Loader, Borden Co., and H. S. VanScoyoc, Canada Cement Co., vice-presidents; A. M. Miller, Chrysler Co. of Canada, H. H. Rimmer, Canadian General Electric Co., C. B. Watt, General Motors of Canada Ltd., E. F. Millard, Ford Motor Co. of Canada, and Leslie Choyce, McColl-Frontenac Oil Co., directors. G. S. H. Carter of the Toronto General Trusts Corp. was re-elected treasurer.

Pacific Coast Fire Co. Has License Extended

The Pacific Coast Fire Insurance Co. has been granted a certificate of registery by the federal department of insurance to transact inland transportation insurance in addition to the classes for which it is already registered.

CONSTRUCTIVE DEVELOPMENTS MARK CANADA'S LARGEST FOOD CHAIN

Dominion Stores remain today Canada's largest food chain, having 494 stores in operation in four Provinces. Dominion Stores are an integral part of the communities in which they operate, each having a local personnel who exercise a considerable purchasing power in their respective communities.

A thorough housecleaning of the stores has been completed, a major advance being the inauguration of a system of coding merchandise which will at all times ensure completely fresh merchandise. The majority of stores have been re-painted in a two-tone green color scheme, and already the profitable results of this rehabilitation are apparent. Shareholders of Dominion Stores have had a satisfactory experience from the policies which have placed the interest of the consumer first — policies which have builded a great Canadian grocery business on an enduring foundation.

DOMINION STORES LIMITED

"For Fresh Foods"

New Process Used in Sugar

Change in Refining Methods Brings Lower Prices

Are there some major changes coming in sugar refining operations in Canada and the United States? Will the present machinery be rendered obsolete in the next few years, because of newer methods of refining that are now being undertaken in a small way? Claims for new refining processes in sugar illustrate the problem of obsolescence in many industries.

In the United States, a firm called Sucrest Corp. has been using a new refining process claimed to be considerably less expensive, and selling their sugar under the market of the established cane brands.

Suchar Process

In Canada, the Beamish Sugar Refineries Ltd.—the new organization formed to take over the former Crosse & Blackwell sugar plant—is using a similar process. In the United States they call it "Suchar" which is a patented name. The old-established process calls for pound for pound of bone charcoal, whereas the claim for "Suchar" is that because of its condensed form, one pound does the work of about 100 lb. of the other.

In this connection, a significant news article appeared in a recent issue of the Wall St. Journal which told of the Sucrest Corp. making a 30-point cut in its price and later a 5-point upward revision, or a net reduction of 25. The item dealt with the probability of some reduction by the large Eastern United States refiners in order to hold their market. The Journal said in part:

"These refiners are now selling fair amounts of granulated to their customers at the old 4.75-cent figure. Unless these clients were assured of an early price revision, it is obvious they would have turned to Sucrest for requirements at either the old 4.45-cent rate or even now at 4.50, rather than pay the higher rate. Under contract terms, buyers are guaranteed by the refiner seller against any price decline within 7 days."

Affects Industry

From all accounts, there are some strong financial interests behind Sucrest, although up to the present, it is not a big factor in the market because of its limited output. Nevertheless the Sucrest Co. has done a substantial business representing losses to the old-established United States refiners, since there has been no increase in the total volume for the country.

Carnation Co.

Preferred Dividend Earned By Wide Margin—Stock Marketed Here

Carnation Co. became of greater investment interest to Canadians this year with the offering of 5% preferred stock in this country. The preferred dividend is earned by a wide margin, and the shares are listed on the Toronto Stock Exchange. Earnings have risen this year.

The company makes and markets condensed and evaporated milk and other allied food products chiefly in the United States and Canada under the "Carnation" brand.

Working capital was over $8 millions early this year and net assets securing the preferred were $447 per share. There is little Canadian investment interest in the common shares which are listed on the New York Curb Exchange. Since the preferred is the senior security of the company, it sells at a premium making the yield comparable with those on corporation bonds.

Capitalization—	Authorized	Outstanding
1st pref., par $100	$5,000,000	$3,889,200
Com., n.p.v....	800,000 shs.	609,586 shs.

Funded Debt—
None.

Dividend Record—
7% was paid on preferred shares to Mar. 31, 1936, when provisions relating thereto, by an amendment to certificate of incorporation, were changed by vote of shareholders to provide for dividend of 5% on 1st preferred shares accruing from Apr. 1, 1936, payable in U. S. funds, July, Oct., Jan. and Apr. 1. Common: $1 paid in 1935.

Officers and Directors—
E. A. Stuart, chm.; E. H. Stuart, pres. and treas.; J. F. Douglas, vice-pres. and sec.; A. M. Ghormley, vice-pres., Seattle, Wash.; P. G. Kinzer, vice-pres., Milwaukee, Wis.; W. C. Cross, vice-pres., Oconomowoc, Wis.; George Albers, Seattle, Wash.; R. H. Fullerton, New York; Walter Kasten, Milwaukee, Wis. Asst. vice-pres., W. N. MacBriar, O. W. Jones.

Net Profits—

Year	$	Year	$
1926	1,956,036	1931	1,281,509
1927	1,829,906	1932	*644,278
1928	1,317,936	1933	1,005,600
1929	1,049,108	1934	1,032,206
1930	1,319,629	1935	1,140,211

*Loss.

Market Record—	*1936 High	Low
Preferred	103¼	100

*To Oct. 23.

More Than a Neighbor

Borden has been *part of the family* in Canada since 1902. In that year the first Borden plant started to condense milk at Ingersoll, Ontario. In the intervening third of a century, together with other Dominion industries, we have contributed to the development of Canada's great natural resources.

To-day there are 45 Borden plants in the Dominion and 2,986 Canadian citizens engaged in manning them and marketing fluid milk, ice cream, butter, cheese and condensed, evaporated, malted and powdered milks, to meet local and export needs.

Board of Directors:

J. W. McConnell, *Chairman*
S. J. Moore, *President*

The Honorable C. C. Ballantyne; Gordon C. Edwards; P. D. Fox; Sir Charles Gordon, G.B.E.; A. W. Milburn; Major-General The Honorable S. C. Mewburn, C.M.G., K.C.; T. G. Montague; Britton Osler, K.C.; The Honorable Donat Raymond; Hiram H. Walker; R. D. Ward; G. M. Waugh, Jr.

BORDEN'S LIMITED

54 Markets
58 Groceterias
operating in
Ontario

It is a
Profitable Pleasure

shopping in one of Loblaw's many MARKET STORES, where quality FOODS may be selected and purchased all under the one roof, at the usual popular low Loblaw prices.

LOBLAW GROCETERIAS CO. Limited

Robin Hood Flour — Robin Hood Oats

Robin Hood Mills Limited

MILLS AT MOOSE JAW SASKATOON CALGARY

SALES OFFICES EDMONTON - VANCOUVER WINNIPEG - FORT WILLIAM TORONTO - SAINT JOHN MONCTON - QUEBEC MONTREAL

N. M. PATERSON & COMPANY LTD.
Own and Operate
One Terminal Elevator in Fort William
109 Country Elevators
Total Storage Capacity 6,925,000 bus.
31 Vessels on the Great Lakes
Total Carrying Capacity 4,500,000 bus. per trip
Head Office: FORT WILLIAM, ONT.

GRAIN MERCHANTS In World Trade

Owning and Operating Terminal Elevator at Port Arthur (Capacity 5,500,000 bushels)
Over 200 Elevators in Western Canada
EST. 1857
SHIPPERS & EXPORTERS
JAMES RICHARDSON & SONS Limited
WINNIPEG REGINA — MONTREAL MOOSE JAW — VANCOUVER SASKATOON — TORONTO CALGARY — KINGSTON EDMONTON

TORONTO ELEVATORS LIMITED
Capacity: Toronto, 4 Million Bushels Sarnia, 3 Million Bushels
The most modern facilities for the storage and transfer of grains, for grain conditioning, and for the production of Master feeds for Livestock and Poultry. "Master" feeds are endorsed and recommended by leaders in the livestock industry of Canada.
Toronto Elevators Ltd.
also Owning and Operating
The Sarnia Elevator Co. Ltd.
QUEEN'S QUAY TORONTO

FEDERAL GRAIN LIMITED
OPERATING TERMINAL ELEVATORS - FORT WILLIAM - PORT ARTHUR - VANCOUVER
423 COUNTRY ELEVATORS THROUGHOUT THE WEST
101 COAL SHEDS
Our Service and Facilities Guarantee Satisfaction

A Complete Investment and Trading Service
STOCKS .... BONDS
GRAIN ..... MINES
MELADY, SELLERS & CO. LTD.
Grain Exchange WINNIPEG Phone 92709

GRAND TRUNK PACIFIC ELEVATOR CO. LIMITED
LOCATED AT FORT WILLIAM ON C. N. R. & C. P. R. ELEVATOR ABSOLUTELY FIREPROOF THROUGHOUT. OPERATED BY ELECTRICITY — CAPACITY 5,750,000 BUS.
Frederick B. Wells, President — J. E. Dudley, Vice-Pres. and Gen. Mgr.

RELIANCE GRAIN COMPANY LIMITED
Owners and Operators Country Elevators and Terminals
Exporters and Shippers
SMITH, MURPHY CO. INC.
510 PRODUCE EXCHANGE, NEW YORK
Head Office: 919 Grain Exchange, Winnipeg
Branch Offices: Toronto and Vancouver

Week in Wheat

Rumors Again Revived Britain to Store Wheat

Wheat Board Official's Departure for London Said Connected With U. K. War Reserve — Australian Crop Moderate

From Our Own Correspondent

WINNIPEG.—Rumors of the creation of a British Government wheat reserve were revived with the sailing for England this week of George McIvor, vice-chairman of the Canadian Wheat Board.

In many quarters it has been suggested a deal might be made whereby a block of Canada's hold-over would be turned over to United Kingdom authorities who would hold it as a war emergency reserve. It has also been suggested such a reserve or part of it might be held where the wheat is now—in Canadian terminal elevators.

No official information is available, but it is assumed that with Canadian wheat holdings sharply reduced, and certain to be disposed of before the end of the current crop year, the Wheat Board would have no ordinary reason for sending a representative to England just now. Such reasoning leads to the supposition that some special deal is to be negotiated.

But more cautious observers suggest there is simply under way another contact between the Wheat Board and British millers, in the hope of keeping up a maximum percentage of Canadian wheat in British flour.

Australia's first government crop estimate of a wheat crop of 125 million bushels was a bullish factor in world wheat markets. The estimate corresponded closely with ideas previously held in trade circles, but confirmation served to clear the air.

Argentine Competition Again

ALTHOUGH actual new crop Argentine wheat will not be on the market for 3 months yet, offerings are already being made in Europe for shipment in January. Prices are quoted under those prevailing for Canadian wheat and importers have been quick to emphasize the difference. Canadian shippers, as a result, may expect to encounter stiffer competition in the export market.

It is reported that Italy has already contracted for over a million bushels of Argentine wheat to clear after the close of the year.

General crop conditions in the Argentine are recently reported improved due to heavy rains. This, coupled with the larger acreage this season, favors production of a fair-sized crop. But the most critical growing period is still ahead with weather conditions during November generally regarded as the deciding factor.

* * *

New Wheat Totals

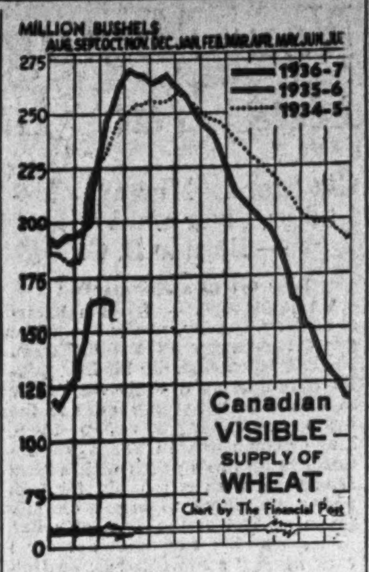
AS CROPS in Australia and the Argentine approach maturity, changing prospects from day to day in those 2 countries constitute the chief factor affecting wheat prices. The market now discounts a crop in Australia of about 125 million bushels, with an export surplus of about 75 million bushels. For the Argentine somewhere in the neighborhood of 210 million bushels, giving 120 million bushels for export, is estimated.

The prospective export surplus from the southern hemisphere is thus calculated at about 200 million bushels, with perhaps a 10% variation in either direction. This would be about 50 million bushels below the normal total exports from these 2 countries but would be substantially above last year's total of 170 millions.

Australia Losing Customer

SINCE Japan invoked the trade protection law against Australia, wheat exports from the latter country have steadily declined. The Australian loss, it is expected, will be largely made up by Canadian gains during the next few years. Eventually, however, Manchukuo, Japanese puppet state in North China, is expected to benefit. Previous to invoking of the new laws last June, Australia was the principal source of Japanese imported wheat, shipping more than a million bushels per month during the first half of 1936. Canada was not very far behind.

For the first half of 1936 exports from Manchukuo increased about 10 times but volume was still so small as to be relatively insignificant when compared with the total amount of wheat imported by Japan.



MOVING OUT STEADILY

Fairly substantial country deliveries notwithstanding, Canadian visible supply of wheat continues to fall steadily. At the end of last week less than 160 million bushels were in sight in marketable positions. This compares with 267 millions for the same week a year ago.

At present rate of liquidation it is expected that Canada's reserve at the end of the current year, July 31, will be down to practically any figure desired. Previous to the holding policy adopted about 8 years ago, a normal wheat carryover was around 50 million bushels. This would be sufficiently safe to take care of all domestic requirements until even a late new crop was ready for milling.

Details in bushels are as follows:

Canadian Visible

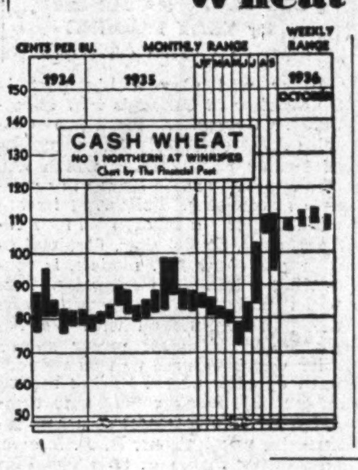
Week of Oct. 23	Last Week	Last Year
157,568,000	159,573,000	267,408,000

Canada Northern Power Operations on Larger Scale

From Our Own Correspondent

MONTREAL. — Canada Northern Power Corp's output in September totalled 48.7 million kw.h. This represents an increase of $893,056 kw.h. over the same month a year ago. For the year to date, production totals 439 million kw.h., an increase of 11 million kw.h. over the first 9 months of 1935.

Wheat Prices



(Cash Quotations)

	For Week Oct. 27 High	For Week Oct. 27 Low	Prev. Week High	Prev. Week Low
1 Man. Hard ...	1.14⅝	1.11⅞	1.16½	1.14½
1 Northern	1.11⅝	1.09⅜	1.14⅞	1.12
2 Northern	1.10¼	1.07⅞	1.13⅞	1.10¾
3 Northern	1.07	1.04⅞	1.10⅝	1.07½
4 Northern	1.05⅛	1.03⅛	1.08⅝	1.05½
5 Wheat	1.01½	.99⅜	1.04⅞	1.02
6 Wheat	.94⅝	.90⅞	.97⅞	.93
Feed Wheat	.81⅝	.76⅜	.85⅞	.82
Vancouver: Week to Oct. 26:				
1 Northern	1.09⅞	1.08¼	1.12½	1.09⅞

Competitive Export Prices: Nov., Oct. shipment.

Week to Oct. 24

	High	Low
No. 1 North. (Vanc.) ...	1.31⅞	1.27
No. 2 North. (Atlan.) ...	1.31⅛	1.25⅝
No. 2 North. (Vanc.) ...	1.32⅛	1.29⅞
Danubian	1.14⅜	1.12⅜
Australian (afloat)	1.29⅛	1.25¼
Australian▲	1.25⅞	1.22¼
Argentine Rosafe†	1.11⅜	1.08½
Indian (choice Karachi).	1.24½	1.23

†Jan.-Feb. ▲Dec.

Winnipeg Grain Futures

Week to Oct. 27, 1936

Crop year from Aug. 1, 1936 High	Low		Open Oct. 21	High for week	Low for week	Close Oct. 27
		Wheat				
1.14⅞	.95⅝	Oct.	1.12	1.12⅝	1.09⅜	1.11⅝
1.14⅞	1.06⅝	Nov.	1.12¼	1.12⅝	1.09⅜	1.11¾
1.12⅝	.93½	Dec.	1.09⅝	1.10¼	1.07¼	1.09¼
1.13⅛	.95½	May	1.10⅜	1.11	1.08⅛	1.10¼
		Oats				
.49¾	.41⅛	Oct.	.....	.44⅛	.43⅜	.43⅝
.46⅞	.43⅝	Nov.	.43⅞	.44½	.43⅝	.44
.48¼	.41¼	Dec.	.43½	.44¼	.43¼	.43⅝
.48¾	.42¼	May	.44½	.45	.44⅛	.44½
		Barley				
.68	.51½	Oct.	.59¼	.61¾	.58⅛	.61½
.63⅞	.58¼	Nov.	.59⅜	.61⅜	.58¼	.61⅛
.63¼	.50¼	Dec.	.58	.59½	.57⅛	.59½
.61⅞	.50⅞	May	.57¾	.58½	.57	.58⅜
		Flax				
1.90½	1.58¼	Oct.	1.60¼	1.63⅜	1.58¼	1.63
1.88	1.60¾	Dec.	1.61¼	1.64½	1.60¾	1.64½
1.75¾	1.63¾	May	1.64½	1.67¾	1.63¾	1.67¾
		Rye				
.72¼	.62	Oct.	.....	.70½	.69	.70⅛
.71⅞	.66⅞	Nov.	.....	.70¾	.69½	.70¾
.72	.61¾	Dec.	.68½	.70⅜	.68⅛	.69¾
.72½	.62⅝	May	.69½	.71⅜	.69⅛	.71

Recent Grain Year Is Fully Reviewed

Canadian Grain Trade Year Book 1935-36 Published

Practically every possible figure regarding the Canadian grain trade for the crop year ended July 31 last, has been incorporated in the 1935-36 edition of Sanford-Evans "Canadian Grain Trade Year Book" just released. The price is $1.50.

Crop returns going back 10 years are given for the Dominion with the average for the period. These show practically no change in wheat, but more than a 10% gain in oats. Various final estimates, such as the official, the Northwestern Grain Dealers, etc., are tabulated as well as prices by grades and months and other statistics which the readers must have to get a complete picture of the Canadian grain growing and trading situation.

This information is coupled with generous summaries of inter-related world figures on production, prices and consumption. The grain situation in the Argentine, Australia, United States and other countries which compete with Canada, is fully covered. In short this book of 105 pages gives in concise form a full statistical record of the grain year recently closed. It is prepared and distributed by Sanford-Evans Statistical Service of Winnipeg.

Winnipeg Stocks

(Transactions from Oct. 19 to Oct. 24)

	Sales	High for period	Low for period	Close Oct. 24
Clover Units..	5	12.00	8.00	8.00
Flin Flon	4,900	.25	.20	.25
Cres. Cream. pf.	75	36.00	35.00	36.00
Gold Lake ...	14,200	.16	.11	.13
Gurney Gold..	86,300	.45	.39	.45
Gt. Falls M.&S.	3,000	.10	.10	.10
Frontier	500	.16½	.16½	.16½
Home Invest...	50	20.00	20.00	20.00
Johnson Nip...	500	.04	.04	.04
Mandalay	3,500	.10	.08	.09
Ore Grande ...	2,500	.20	.19	.19
Oxford M. ...	100	.70	.70	.70
Optic Lake ..	120	1.00	.80	.80
Packsack	2,800	.22	.21	.22
Pine Lake	2,000	.09½	.09½	.09½
Rice Lake	2,550	.04	.03¾	.04
Star Lake	13,500	.01¼	.01¼	.01¼
Sachigo River.	35	19.00	18.00	18.00
Wallace Lake.	2,000	.02	.02	.02
United Grain..	25	12.00	12.00	12.00
Vanson Man...	6,000	.02¼	.02⅛	.02¼
Wingold	6,200	.05½	.04½	.05
Wylie Dom....	4,800	.41	.36	.40
Wings Ltd. ..	3,050	1.50	1.40	1.50
Wpg. R. Tin..	17,000	.01¾	.01⅛	.01¾

Stocks Not Traded in During Week*

	Bid	Asked
Beaver Fire Ins.	..	100
Can. Indemnity	135	..
Comm. Securities	..	10
Dom. Envelope, com.	..	1¼
Do., pfd.	93	..
Home Investment	..	20
Northern Mtge., part pd. ..	..	3½
North. Can. Mtge., pf.	4	..
Traders Bldg.	80	..

* Stocks more active on other exchanges not included.

Wide Open Grain Probe Starts Soon

All Phases of Trade Since 1930 To Be Investigated

RALSTON IS COUNSEL

From Our Own Correspondent

WINNIPEG. — The royal grain enquiry conducted by the Hon. Mr. Justice Turgeon is expected to open its session in Winnipeg about mid-November. In addition public sittings will probably be held in Regina, Saskatoon, Edmonton and Calgary, and possibly Vancouver.

Hon. J. L. Ralston, who was chief financial and wheat board critic in the Liberal opposition during the late Bennett government, is counsel for the enquiry. Mr. Ralston is busy here making preparations for the calling of witnesses. It is estimated the taking of evidence will occupy at least 2 months.

Wide Powers

The Commission has almost unlimited scope, the order-in-council appointing it to enquire into and report "upon the subject of the production, buying, selling, holding, storing, transporting and exporting of Canadian grains and grain products, and other questions incident to such matters, and in particular, but without restricting the generality of the foregoing terms, to enquire into and to report upon:

"1. The methods now or heretofore employed in marketing Canadian grains abroad, including government grain boards, co-operative or pool marketing, price stabilization measures and the open market or competitive methods upon markets.

Relief Grain—Winnipeg Market

"2. All transactions since the year 1930 pertaining to the handling of grain for relief and seeding purposes in Manitoba, Saskatchewan and Alberta under the Dominion Government guarantee, or otherwise.

"3. The extent, if any, to which the Canadian Wheat Board, protected speculative short interests in the Winnipeg wheat market in December 1935, immediately following the higher price fixed by the Argentine Government for Argentine wheat; and the effect, whether beneficial or harmful, of any such action taken by the Board.

"4. The effect of the practice of mixing and of the selection of grain for protein content by millers and exporters.

"5. The causes of the decrease in Canadian grain exports in recent years.

"6. The measures which should be taken to retain and to extend the marketing throughout the world of Canadian wheat and other grains and their products."

Array of Counsel

Mr. Ralston will have as associate counsel J. M. Coyne of Winnipeg, while different branches of the trade are expected to be represented by:

L. W. Brockington, Winnipeg.
Isaac Pitblado, Winnipeg.
Hugh Phillips, Winnipeg.
M. M. Porter, Calgary, Alberta Wheat Pool.
M. A. MacPherson, Regina, Saskatchewan Wheat Pool.
E. K. Williams, Manitoba Pool.

It is understood an immense amount of statistical and other information will be required to be filed by different branches of the trade, including the Wheat Pool, and that this information will cover all Dominion Government operations including the stabilization period, the McFarland Wheat Board and the Murray Wheat Board.

Car Sales Slump Heavily in Alberta

A 27% slump in motor vehicle sales in Alberta compared with gains of from 16 to 23% in other western provinces is the highlight of September figures released from Ottawa this week. Total sales in Canada are up 13% to $4.8 millions. Passenger car sales rose 19.6% while bus and truck sales increased 11.9%.

Analysis of registrations in eastern Canada compiled by Canadian Automotive Trade and Bus and Truck Transport show most makes increased their sales in the month compared with last year.

Comparative figures follow:

New Passenger Car Registrations (In Eastern Canada)

	Sept., 1936	Sept., 1935	Year to date 1936	Year to date 1935
Chevrolet	823	481	15,774	11,616
Ford	781	642	13,208	15,433
Dodge	341	260	6,941	5,486
Plymouth	300	211	6,750	5,875
Oldsmobile	198	225	3,624	4,001
Pontiac	182	254	2,173	3,465
Buick	136	83	2,344	823
Chrysler	110	63	1,862	1,465
Studebaker	104	43	985	786
Terraplane	99	72	1,696	1,552
De Soto	50	56	717	599
Nash	48	14	623	206
Hudson	20	34	725	693
Lafayette	18	27	325	172

New Commercial Car Registrations (In Eastern Canada)

	Sept., 1936	Sept., 1935	Year to date 1936	Year to date 1935
Ford	337	322	3,813	4,077
Chevrolet	300	241	3,631	3,226
International ...	121	129	1,184	1,159
Dodge	98	76	1,304	951
G. M. C.	79	66	603	618
Fargo	51	..	635	...
Diamond T.	42	28	284	239
Reo	14	20	189	228
Studebaker	14	9	67	57
White	14	9	186	119

New Montreal Curb Member

MONTREAL. — Col. William H. Kippen, of London, Ont., and John J. Quinlan, Jr., have been elected members of the Montreal Curb Market.

"TOASTED" SODAS
now more popular than ever

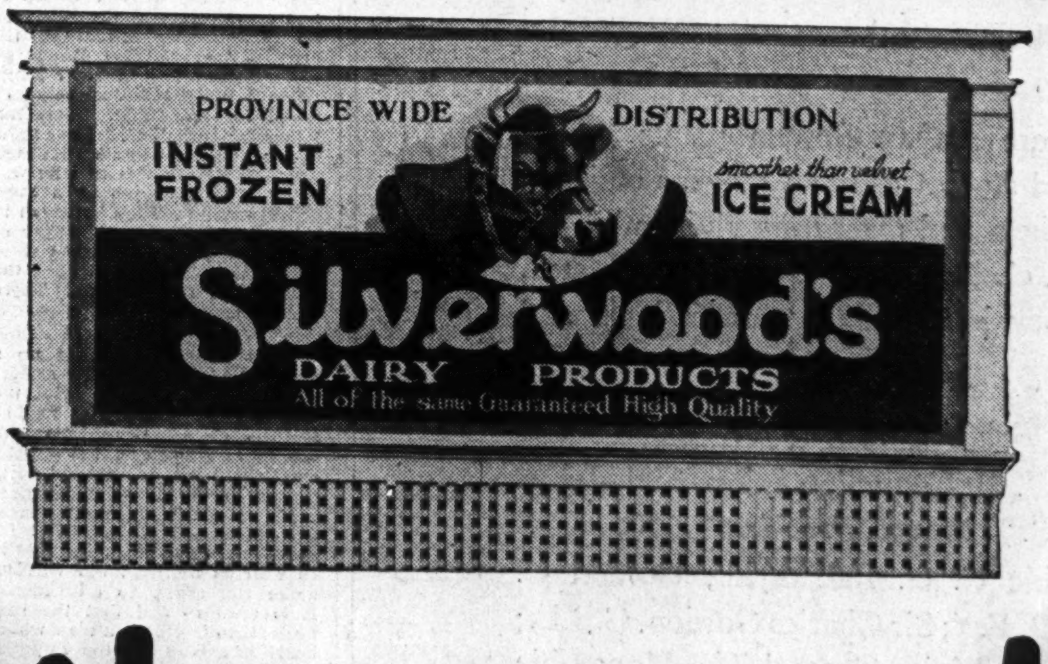
Three generations of Canadians have acclaimed McCormick's Jersey Cream Sodas as their favorite cracker. This brilliant record has now been duplicated by another McCormick creation . . . Toasted Sodas.

Two years ago Toasted Sodas were just a master-baker's idea. McCormick brains, skill, and machinery have gone to work on that idea and turned it into the fastest growing variety of Soda Biscuits in Canada today.

Double-cooking of part of the ingredients . . . malt for flavor and fine color . . . and finally, toasting for extra crispness—are some of the reasons for the instant success of Toasted Style — the new companion to Jersey Cream Sodas.

McCORMICK'S LTD., LONDON

Province-wide Distribution



Silverwood's

SILVERWOOD DAIRIES, LIMITED

Producers and Distributors of: Safe Milk—Jersey Milk—"Homo" Milk—Table and Whipping Cream—Buttermilk—Ice Cream—Evaporated Milk—Canadian Cheese—Creamery Butter—Powdered Milk—Condensed Whole and Skim Milk—Buttermilk Powder—Ice Cream Sundries—Eggs—Poultry—Frozen Eggs.

Uniform Laws For Companies Aim of Parley

Provincial and Federal Conference To Be Held at Ottawa

ONE STATUTE SOUGHT

From Our Own Correspondent

OTTAWA.—Officials of the 9 provincial governments will sit down next week with federal authorities to explore the possibilities of introducing uniform companies law throughout Canada.

This first conference, which is scheduled for November 3, will be confined to the technical and non-political phases of the problem.

If as an outcome an agreement is reached on broad principles, it will be in order for the provincial secretaries to meet in a second conference with the Dominion cabinet to see whether the necessary legislation can be passed this winter.

Loopholes Now

At present there is considerable diversity in the several provinces, and in addition to the inconvenience of multiple returns and regulations, there are loopholes through which unscrupulous promoters can fleece the public without running foul of the law. The conference next week aims to simplify and expedite legitimate financing of new companies while improving the present protection of the investing public against unsound and reckless promotions.

Much of the trouble arises out of the fact that the Dominion can grant charters over which provincial governments have limited powers of regulation, and each province in turn can incorporate companies over which the federal jurisdiction is very limited. The existence of Dominion rights and provincial rights has been fully threshed out in the courts, and unless either the Dominion or the provinces are willing to surrender their constitutional rights the present divided control must continue, it is pointed out.

Not Pressing Matter

The federal government is not pressing the matter, but the conference has been called in the hope that intelligent exchange will show the value of a greater uniformity between the Companies Acts of the 9 provinces and the Dominion.

DIVIDEND NOTICES

BANK OF MONTREAL
Established 1817
DIVIDEND NO. 294

NOTICE is hereby given that a DIVIDEND of TWO DOLLARS per share upon the paid up Capital Stock of this Institution has been declared for the current quarter, payable on and after TUESDAY, the FIRST day of DECEMBER next, to Shareholders of record at close of business on 31st October, 1936.

The Annual General Meeting of the Shareholders will be held at the Banking House of the Institution on MONDAY, the SEVENTH day of DECEMBER next. The Chair to be taken at noon

By Order of the Board
W. A. BOG, General Manager — JACKSON DODDS, General Manager
Montreal, 20th October, 1936.

The B. Greening Wire Company, Limited
Preference Dividend No. 42

NOTICE IS HEREBY GIVEN that a quarterly dividend of one and three-quarters per cent on the Preferred Shares of the Company has been declared payable October 1st, 1936; also a dividend of one and three-quarters per cent to apply on account of deferred dividends, to shareholders of record September 15th, 1936.

F. J. MAW, Secretary.
Hamilton, Ont., September 9th, 1936.

The Guelph Carpet & Worsted Spinning Mills Limited
COMMON DIVIDEND No. 14

Notice is hereby given that a Dividend of One Dollar ($1.00) per share has been declared upon the outstanding Common Shares of No Nominal or Par Value of The Guelph Carpet & Worsted Spinning Mills Limited, payable November 1, 1936, to Shareholders of record at the close of business October 20, 1936.

By Order of the Board.
B. F. GRIGGS, Secretary-Treasurer.
Guelph, Ont., October 26, 1936.

The Guelph Carpet & Worsted Spinning Mills Limited
PREFERRED DIVIDEND No. 30

Notice is hereby given that a Dividend of One and Five-eighths per cent (1⅝%), being at the rate of Six and One-half per cent (6½%) per annum, has been declared upon the outstanding 6½% Cumulative Convertible Preferred Shares of The Guelph Carpet & Worsted Spinning Mills Limited, for the Three Months ended October 31, 1936, payable November 1, 1936, to Shareholders of record at the close of business October 20, 1936.

By Order of the Board.
B. F. GRIGGS, Secretary-Treasurer.
Guelph, Ont., October 26, 1936.

Lake of the Woods Milling Company Limited
DIVIDEND NOTICE

NOTICE IS HEREBY GIVEN that a dividend of 1¾% has been declared on the Preferred shares of the Company payable on December 1st, 1936, to shareholders of record at the close of business on November 14th, 1936, and that a further dividend of 14% has been declared on such Preferred shares of the Company payable on December 1st, 1936, to the holders of such shares on record at the close of business on November 14th, 1933, the same being the arrears of dividends with respect to such shares for the period extending from September 1st, 1931, to August 31st, 1933, inclusive.

By Order of the Board,
D. A. MacINNES, Secretary.

Canadian Celanese Sales $35.3 Millions Since 1929

From Our Own Correspondent

MONTREAL.—Sales of Canadian Celanese Co. from 1929 to 1935 amounted to $35.3 millions, according to figures submitted to the Royal Commission on the textile industry.

In that same period total gross profit before depreciation was $12.5 millions, or 37.3%; total net profits before depreciation, just under $9.1 millions, or $25.6%. Depreciation charged to operation amounted to $1,723,549 or $4.6% leaving total gross profit after depreciation of $10.7 millions or 32.7%, and the total net profit after depreciation of $7,347,213 or 21%. The amount allowed for depreciation, repairs to buildings and machinery, charged to operations, was $811,568, or 2.3% of the sales. The mills wage bill was $10.8 millions or 30.5% and executive salaries over $5,000 amounted to $1.5 millions or 4.2%.

In giving evidence to the Commission, Lee Cadien, of New York, a director and secretary-treasurer of Canadian Celanese and vice-president of the Celanese Corp. of America, stated that last year the company showed a net profit of 21%, excluding payment of salaries of over $5,000. He further testified that 6 directors of the Canadian firm drew salaries totalling $84,040 in 1935 and that of the 6 only one lived in the Dominion.

Sues Roebuck For Investor

Drew Brings Investment Trust Into Court — Political Interest

Two of the principal legal lights in Ontario politics figure in leading rôles in current litigation at Toronto over the defunct Diversified Investment Trust.

Hon. Arthur W. Roebuck, now attorney-general of Ontario, who was once president of Diversified Investment Trust, is being sued by Mrs. Frances Van Skiver, of Picton.

The plaintiff's action is directed by her counsel, Lieut.-Col. George A. Drew, K.C., formerly Ontario Securities Commissioner, and now a figure in the Conservative party's campaign of criticism of the Hepburn Liberal government.

Motion by the defense for dismissal of the action and striking out statement of claim was to have been heard last week, but has been adjourned one week by mutual consent. G. B. Bagwell, acting for Mr. Roebuck, asks for the dismissal on the ground that the action is frivolous and vexatious.

Claim Late

Plaintiff's statement of claim was filed late but has been accepted by the master at Osgoode Hall. It states that Mr. Roebuck was president of Diversified Investment Trust from its origin until 1931; that she invested $1,050 in the shares in 1928 and held them until they were taken over by National Research Investments in 1932.

It is claimed that contrary to assurances prior to plaintiff's investment in the Diversified shares, securities were bought on a speculative basis, resulting in heavy losses to the investment trust. Mr. Roebuck as president is stated to have exercised control over company policies. One claim is that Diversified Investment Trust bought securities on margin and that by the time Mr. Roebuck resigned the investments had little value. He is charged with negligence and breach of trust.

History of Company

Diversified Investment Trust was incorporated in 1927. A. W. Roebuck was president. In 1929 his address to shareholders at the annual meeting of the trust included the comment: "With every advance in business, the value of the company's holdings will increase, so that, with a sound policy of investment, and reasonable wisdom . . . a profitable career for your company may be safely predicted."

Flour production in August showed a substantial increase over that of a year ago, amounting to 1,362,679 barrels compared with 1,161,389 barrels for the same month a year ago.

DIVIDEND NOTICES

The Canadian Bank of Commerce
Dividend No. 199

Notice is hereby given that a dividend of two per cent in Canadian funds on the paid-up capital stock of this Bank has been declared for the quarter ending 30th November, 1936, and that the same will be payable at the Bank and its Branches on and after Tuesday, 1st December next, to shareholders of record at the close of business on the 31st October, 1936. The Transfer Books will not be closed. By Order of the Board.

S. H. LOGAN, General Manager.
Toronto, 16th October, 1936.

Loblaw Groceterias Co. Limited

Notice is hereby given that quarterly dividends of 25 cents per share on the Class "A" shares and 25 cents per share on the Class "B" shares of the Company have been declared for the quarter ending November 30, 1936, payable on the 1st day of December, 1936, to shareholders of record at the close of business on the 12th day of November, 1936. Payment will be made in Canadian Funds.

D. URQUHART, Secretary.
Toronto, October 23, 1936.

The Shawinigan Water and Power Company

Notice is hereby given that a dividend of Fifteen (15c) cents per share has been declared on the no par value common shares of the Company for the quarter ended September 30th, payable November 16th to shareholders of record October 29th, 1936.

By Order of the Board.
JAMES WILSON, Secretary.
Montreal, October 21, 1936.

Zellers Limited

Notice is hereby given that an Interim Dividend of one and one-half (1½) per cent ($1.50) has been declared on the Preferred Shares of Zellers Limited and will be payable on and after November 15th, 1936, to Shareholders of record at the close of business on October 31st, 1936.

By Order of the Board.
T. E. McDERMOTT, Secretary-Treasurer.

Brewers, Distillers Condenses Capital

Shareholders of Brewers & Distillers of Vancouver, Ltd., have approved a by-law authorizing conversion of the 7.5 million shares of no par value into 750,000 shares of $5 each.

As at Dec. 31, 1935, there were 5,777,378 shares outstanding. Shareholders will receive one new share for each 10 shares now held. Thus the change simply amounts to a contraction of the number of shares outstanding. There are no bonds or preferred shares.

Exchange of shares is expected to take place around the end of the year. G. W. Twittey, secretary, stated recently that with the exchange of shares the directors propose to distribute $1 on each new share from capital surplus. Last year's earnings would have been at 60 cents a share on the new stock.

In contrast with other Canadian companies which have gone into the distilling business in the United States on a major scale, Brewers & Distillers is liquidating its matured stocks It expects, finally to serve only the Canadian market and a modest American demand for spirits and to concentrate its permanent activities on maintenance and development of its brewery interests.

Maritime Electric Bonds Sold at Par

From Our Own Correspondent

MONTREAL. — Royal Securities Corp. is making a public offering of $900,000 of 4½% first mortgage sinking fund bonds of Maritime Electric Co. at 100 and accrued interest. These bonds are payable both as to principal and interest in Canadian currency only and mature in 1956.

Maritime Electric owns and operates the electric lighting and power services in Charlottetown, Montague and 12 other communities in Prince Edward Island, and in Fredericton, St. Stephen, Milltown, St. Andrews and other communities in New Brunswick.

Bought From Americans

This company was formerly controlled by American interests and a few months back Royal Securities Corp. purchased the enterprise. Under a new set-up the company will have a capital of $900,000 of first mortgage bonds; $400,000 of 5½% general mortgage debentures; and $350,000 of common shares.

The financial statements of the company for the 7 months ended July 31, 1936, shows net profits of $48,528 available for interest charges and income taxes. This compares with $71,617 during all of 1935, on the same basis.

British Columbia Reports Surplus

With revenue up $3.1 millions to a new record figure of $25.8 millions, the cash surplus of the province of British Columbia on its operating account for the year ended March 31, 1936, was $2.6 millions. This figure does not take into account the cost of unemployment relief or sinking fund payments.

Comparative results on ordinary account for the past 2 fiscal years are shown below:

Ordinary Account
Years ended March 31

	1936 $	1935 $
Revenue	25,862,077	22,761,719
Expenditures	23,242,901	21,597,543
Surplus	2,619,176	1,164,176

Beauharnois Power Sale Not Confirmed

Reports that Beauharnois Power Corp. has arranged for sale of 200,000 h.p. to Niagara Hudson Power Co. of New York State cannot be confirmed officially. It is understood, however, that there have been negotiations between the 2 companies.

If such a sale were to be arranged. Beauharnois Power Corp. would have to secure permission to export the power from the Dominion and Quebec Governments. In the past there has been considerable opposition in government circles to the export of power. In the present instance, however, it is felt that there would not be any great difficulty in securing government permission since security holders are threatened with severe loss as result of the Ontario government's action in repudiating the Hydro-Electric Power Commission's contract with the company.

Ottawa Power Capital Changes Given Approval

From Our Own Correspondent

MONTREAL.—Ottawa Light, Heat and Power Co. has been granted supplementary letters patent covering an alteration in the capital stock. The old capital stock of $10 millions was divided into 15,000 preferred shares, 20,000 5% cumulative redeemable preferred shares and 65,000 common shares, all of a par value of $100 each. This has been changed to 20,000 5% cumulative redeemable preferred shares, and 80,000 common shares, all with a par value of $100 each, the alteration being effected by the redemption cancellation of 15,000 issued preferred shares and the creation of 15,000 common shares.

At present Ottawa Power has outstanding 17,000 shares of 5% cumulative preferred and 35,000 shares of common stock.

German Pact Aims to Boost Canada Trade

Careful Plan Achieved to Provide Exchange Payments

Chief feature of the German-Canada trade pact released from Ottawa this week is the plan whereby foreign exchange accruing to German exporters from the sale of goods in Canada will be made available to German importers for the purchase of goods from Canada. Otherwise the pact continues the "most favored nation" arrangement between the 2 countries which has been in effect since Jan. 1, 1933.

Since the new exchange payment agreement clears the way for purchases by Germany of Canadian products, the Canadian government has entered into a special arrangement to ensure that Germany uses these "credits" for the purchase of certain types of goods which Canada wishes to sell.

Thus 63.1% of the exchange accruing from German exports to Canada is to be allocated specifically to certain commodities, chief of which are wheat, asbestos, fresh apples, salmon, lumber, fish oil, etc.

The proportions of specific trade items mentioned in the pact are shown in the following table. In the first column is shown rates of trade specified in each case and in the last column the maximum trade allowed in each case.

Commodity—	%	Annual Maximum Value
Wheat	35.0	no max.
Apples, fresh	5.0	$600,000
Apples, dried	0.6	6,000
Cheese	0.2	20,000
Honey	0.2	20,000
Sausage casings:		
Beef casings (of which not more than ⅓ to be beef middles)	0.5	60,000
Hog casings	0.25	no max.
Seeds	1.25	160,000
Salmon, Salted	2.5	275,000
Salmon, frozen	0.25	25,000
Salmon, caviar	0.15	15,000
Eels, frozen	0.5	75,000
Lobsters, canned	0.2	20,000
Fishmeal	1.4	no max.
Fish oil	2.0	no max.
Black & silver fox skins, undressed	1.5	no max.
Lumber, sawn	2.0	no max.
Pegwood	0.2	20,000
Woodpulp	1.0	100,000
Asbestos	8.0	no max.
Parts of agricultural machines	0.2	20,000
Ice hockey equipment (skates, with and without boots, sticks, etc.)	0.2	20,000
Total	63.1	

Protect Canadian Sales

The pact thus aims to overcome in a scientific way one of the major obstacles which has hindered German trade with Canada in recent years, namely refusal of Germany to allow release of funds to pay for Canadian imports. Since Sept., 1934 she has had a rigid exchange control that largely offset benefits Canada hoped to achieve by her arrangement of 1933.

Another difficulty was the high valuation placed on German currency which prevented Germany from selling her goods on a comparative price basis in Canada. No indication appears as yet as to what steps are taken to improve this situation.

The plan does not mean that Germany undertakes to find a market for Canadian goods but merely that if Canada can sell her merchandise in Germany, then exchange will be available to clear the transaction provided that Canada meanwhile has bought sufficient merchandise from Germany to provide an exchange credit.

One virtue of the new arrangement is that it safeguards Canada from a situation where Germany would buy large quantities of minerals and other raw materials which she very greatly needs, but would overlook products such as wheat which Canada wants to sell. It is felt that Germany will buy our minerals and certain other products in any event—the new pact aims to make sure she will also buy commodities which Canada is eager to merchandise and which formerly found a good market in that country.

The pact becomes effective Nov. 15 and is for one year or until either government gives 2 months' notice of termination.

Sale of Power At New High

Output of central electric stations in Canada rose 6.4% in September although the gain was less than the usual seasonal increase. Exports to the U. S. dropped considerably but consumption of primary power in Canada reached a new high mark.

September automobile figures were notable for the sharp decline in passenger car production compared with last year and an equally sharp increase in truck output.

	Sept.	—Change— from prev. period %	from prev. year %
Monthly:			
Motor Sales Financing:			
New cars, No.	2,645	—13	+35
Used cars, No.	7,185	—11	+35
Motor Vehicle Sales:			
Passenger, No.	3,120	—29	+20
Trucks & buses, No.	1,431	— 4	— 3
Auto. prod., No.	2,481	—19	—35
Trucks & buses, No.	2,174	+34	+44
Pig iron prod., tons	51,892	+34	— 4
Steel ingots, tons	86,077	+ 7	— 5
Elec. power output, m.k.h.	2,041,679	+ 1	+ 6
Weekly:			
Car loadings, No.	55,182	— 8	— 2
Cattle sales, No.	25,993	+17	+18
Hog sales, No.	31,015	+37	+84

'Plane Orders Still to Come

Hopes of Canadian and U. S. airplane makers soared this week in anticipation of fat orders for British government military 'planes, then nose-dived when "news" reports of U. S. radio announcers and London correspondents of U. S. newspapers proved either distorted or premature.

Reported placing of orders for hundreds of craft for the British Air Ministry lacked confirmation by airplane company officials in Montreal, Toronto and Vancouver.

Boeing Aircraft heads at Vancouver said to have orders for 300 'planes denied the rumors. So did spokesmen for Fairchild Aircraft, Pratt and Whitney of Canada and other companies in Montreal. De Havilland Aircraft of Canada executives in Toronto told the same story.

Canadian Car's vice-president and general manager, L. A. Peto, announced in Montreal his company will enter the field of aircraft manufacturing in Canada.

Most British and U. S. factories have their hands full with airplane business for their own governments, Mr. Peto said in effect. To take advantage of the situation Canadian Car bought the Canadian rights to manufacture the "Grumman Fighter," for sale to any country in the world except the U. S. "Grumman Fighters" are standard on all U. S. aircraft carriers, but have never been exported because the Grumman plant, at Farmingdale, L.I., is working at capacity to fill U. S. government orders.

With a competent pilot at the stick, Canadian Car will send a Grumman demonstrator 'plane to Central and South America, the Far East, in search of business.

A second string for Canadian Car is acquisition of rights to manufacture in Canada the Burnelli type of transport airplane with flying wing construction, now being made by Burnelli Aircraft of Keyport, N.J. British rights have been sold and Burnelli transports are now under construction in Great Britain.

Travellers

C. A. Speers, Windsor, Ontario, general manager of the Champion Spark Plug Co., is making a tour of Western Canada. He told Regina interviewers business of his company reached a new peak this year and export demand from British Empire countries showed notable expansion.

* * *

Miss Charlotte Whitton, C.B.E., M.A., executive director of the Canadian Welfare Council, Ottawa, was in Regina last week attending the Southern Saskatchewan Regional Conference on social welfare work.

* * *

Sir Henry Drayton, accompanied by Lady Drayton, leaves next week to spend the winter in Bermuda.

* * *

D. L. Morrell, assistant secretary of the Canadian Chamber of Commerce, Montreal, returned to Canada last week aboard the C.P.R. liner, Duchess of Bedford, after a month's visit to England where he attended meetings of the Chambers of Commerce of Great Britain and Liverpool.

* * *

Major G. B. Johnson, Canadian Trade Commissioner at Glasgow, is in Calgary, interviewing business firms, Chamber of Commerce officials and manufacturing officials. "There is a good market in Scotland for quality cattle from Canada," he said.

New Books

WHAT INDUSTRY MEANS TO AMERICA—A special issue of Factory Management and Maintenance, August, 1936, published by McGraw-Hill Publishing Co., New York, price 50 cents.

By liberal use of charts and color this McGraw-Hill publication tells clearly and forcefully the case for modern industrialism against the technocrats and those who believe industry has fallen down in its job of keeping the wheels turning and putting men back to work.

There are 90 full-page color charts telling the case for industry—showing what industry has meant so far in the lives of the American people —what may be expected of industry in the years to come. On each facing page is a brief description of the story behind the picturization. The remainder of the book (320 pages) is named "Behind This Pageant of Progress" and is devoted to the advertisements of "a representative roster of American industrial enterprise taking just pride in its record of accomplishment."

One important feature of the survey is a special study of future needs under the caption: "There is lots of work to be done." It is shown, for example, that $29 billions of dwellings and other buildings were not erected during the depression even though they were very much needed. Of that amount Factory Management and Maintenance estmates $18 millions will be spent for products of the manufacturing industry when those buildings are erected. This means factory jobs for approximately one million people for 3½ years.

Similarily the estimate in the electrical appliance market is $16 billions; $5 billions from electrification markets; $3 billions from central station markets; a $1 billion machine tool market; $4 billions industrial power plant market; $1 billion air-conditioning market; $1 billion textile machinery market and an annual market of $2 billions for motor vehicles.

AN AMERICAN EXPERIMENT. By E. M. Hugh-Jones and E. A. Radice. Published by Oxford University Press, Toronto. Price $1.75.

This little volume has already been acclaimed in the British and American press as a most competent survey of how the United States got into its present financial and economic mess, how it has tried to get out, and how successful its very various measures have been.

Written by 2 young Oxford men, whose bent for planning under Socialism is marked in every page, it is indeed a clear and fascinating study, in which the record of statutes and statistics is relieved by an occasional touch of whimsy that suggests that the co-authors have wit as well as a sense of humor.

The American business leader and financial chieftain comes in for much abuse. Practically no recognition is given by the authors to technological achievements in American industry. It simply is not true that United States industry and finance are either as stupid or sinister as the authors blandly assume them to be. Such a criticism of the volume may not promise much for it but it really is a refreshing and informing piece of writing.

WORLD POPULATION. Past Growth and Present Trends. By A. M. Carr-Saunders. Published by Oxford University Press, Toronto. Price $3.75.

THE STRUGGLE FOR POPULATION. By D. V. Glass. Published by Oxford University Press, Toronto. Price $2.25.

POPULATION MOVEMENTS. By Robert R. Kuczynski. Published by Oxford University Press, Toronto. Price $1.50.

It is not only the psychoanalysts the sociologists and the mathematicians who have been brought into consultation on the world's recent political problems. The demographers too, those men and women who measure population, birth rates, death rates, migration movements, have found a new and more important role for themselves.

They are being asked for the answers to such perplexities as these:

Why is it that the countries that most bitterly complain that they need colonies to look after their overflowing population are at the same time most active in seeking to arrest their decline of population at home?

Are the relatively under-populated countries like Canada, Australia and the United States safe from invasion by the countries of surplus population so long as they pursue their present policies of closed gates?

These three volumes put the world's population problems in a direct spotlight against a backgound of current economics.

Mr. Carr-Saunders' book is a major study of the history of population movements and a survey of the present situation. It is sponsored by the Royal Institute of International Affairs, which felt that a knowledge of population and migration questions was essential to the working out of peace, through non-military adjustments, in the world.

Mr. Glass's book is a shorter and more technical monograph that has resulted from a research undertaken by the Eugenics Society. While particularly probing the question of declining population in the British Isles, it discusses the policies of Germany and Italy as well.

Prof. Kuczynski's little volume reproduces three lectures given at the University of London. He calls attention to the fact that modern industry is built upon the assumption that population will continue to increase. Present indications are that it will not. Therefore some adjustment of social attitudes is called for.

MILITARISM IN JAPAN. By Kenneth W. Colegrove. No. 16 in the "World Affairs" Series published by the World Peace Foundation, New York. 75 Cents.

The author writes of the existence of a military caste, of the power of the military tradition, of virtual independence of the army and navy from the civil branches of the Government, of apparent inconsistencies in foreign policy, of the rôle of the so-called "Elder Statesmen," and of the unique position of the Emperor.

This small volume should be of great help to the western world in obtaining a better understanding of present conditions in Japan.

The World Affairs Series will be published henceforth by the National Peace Conference, 8 West 40th Street, New York City.

AFTER THE NEW DEAL WHAT? By Norman Thomas. Published by The Macmillan Co. of Canada, Toronto. Price $2.

Mr. Thomas is the Socialist candidate for the presidency of the United States. A quiet, cultured student, he has never had any real ambition to be president and would be hopelessly lost in the administrative responsibilities associated with that office. But his candidature gives him an opportunity to dramatize the platform of the Socialist party in the United States. This he does from time to time in speeches, interviews and articles, whose unhurried reasoning and freedom from personal abuse are in interesting contrast to the speeches of many other political leaders.

In his current volume, Mr. Thomas shows why he is against Communism, why he is against Capitalism, why he is against Fascism. He makes the case for Socialism, which he defines as "the end of the class division of income; that is, planned production for the general use rather than for the private profit of an owning class." Such planned production, he says, requires the social ownership of the great natural resources and of the principal means of production and distribution.

MUNICIPAL BONDS. By A. M. Hillhouse. Published by Prentice-Hall, Inc., New York.

Mr. Hillhouse, who is director of research for Municipal Finance Officers Association, makes a valuable contribution to the financial library in dealing with a century of experience in municipal debt and municipal debt adjustment. The volume deals chiefly with the American problems but contains a 34-page chapter on Canadian experience with defaults, which will be of particular interest to Canadian investors and investment men. Mr. Hillhouse condenses a vast amount of material in a comparatively brief space and the chief lesson to be learned from the book is that a century of experience shows that municipal extravagance inevitably brings its penalties.

THE GATHERING FINANCIAL CRISIS IN CANADA. By Stephen Leacock. Published by The Macmillan Company of Canada, Toronto. Price 50c.

Prof. Leacock's survey of the present critical financial situation in Canada is here reprinted in pamphlet form. The articles appeared originally in The Morning Post, of London, and The Financial Post.

There is an attractive photograph of Professor Leacock on the cover.

Duplessis Takes Firm Stand On Newsprint Co-Operation

From Our Own Correspondent

MONTREAL.—Representatives of the Quebec and Ontario Governments, the newsprint industry and labor unions, will meet in the near future to discuss stabilization of the pulp and paper market, according to announcement made by Premier Maurice Duplessis of Quebec.

The Quebec Government, according to the prime minister, plans to examine the structure of the industry and intends to take steps to assure capital of a reasonable return on its investment and to guarantee workmen, whether they be employed in the mill or in the forest, adequate wages and comfortable living conditions.

The paper industry, he continued, must not be made a matter of politics

The Premier pledged the industry government support so long as the industry was willing to co-operate with the government to give Quebeckers preference. He issued a warning note to pulp and paper manufacturers that "if they do not fall in line with the government's policies, the government will take steps to make them fall in line."

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Week in Mining

War Fears Stir Demand For Base Metal Issues

Slow-moving Copper Stocks Attract Trading Interest on Canadian Markets — Speculators Display Pre-Election Caution

To copper stocks and other base metals Canadian mining market speculators turned again this week, bought hopefully in the light of war talk that unsettled industrial markets, and because broadened industrial demand for copper at rising prices has vastly improved the statistical position and outlook of the industry.

Nervous over European sabre-rattling, and following the traditional "stand-by" policy of traders in the U. S. presidential pre-election week, New York markets were no inspiration to Canadian investors and traders.

Uncertainty spread to the Canadian mines list, but slow-moving base metals and Cadillac area gold stocks indicated market sentiment is still largely on the buying side. Since neither base metals nor stocks of low-grade-large-tonnage Cadillac and Malartic area gold mines attract traders in fast-moving gold issues, price gains were not spectacular. Moneta, where drilling suggests a large ore body, and Hard Rock, were 2 exceptions to the general near-sluggishness of lower-priced golds.

Important to copper share traders was the announcement of the restriction committee in London decreeing another rise in the allowable production of copper companies in Europe, South Africa and South America, coincident with a 5-years' peak price of 10.20 cents a pound for the metal. European ports.

Traders and some investors saw better times ahead for Canadian copper producers, attached significance to reports that New York copper and brass processors are unable to get rapid deliveries any longer, and hedged against both peace and war prospects by buying on the basis of industrial demand if peace continues; on war orders if war comes.

McKenzie Red Lake

DROP in recovery per ton shown in the third quarter report of McKenzie Red Lake does not reflect a change in grade underground, but is due to the fact that 25 cars of dump ore were passed through the mill, during July and August. In September, officials of the company told The Financial Post average grade of ore milled was up again to about .47 oz. per ton, as compared with the .383 oz. average shown over the 3-month period.

It is noticeable that the milling rate has been steadily increasing, and, according to the management, will be still further increased during the present quarter.

* * *

"Free Gold" Revived

THE Commercial and Financial Chronicle, of New York, notes a resumption of the plea in New York for an open gold market, as a result of the 3-power gold agreement.

As pointed out here at the time the idea was first mooted, the argument in favor of such a market is based on the assumption that a strict government control of foreign exchanges is more dangerous than a control based on the free speculation in gold or foreign exchange.

The institution of such a market entails many enormous obstacles, and would, among other things, necessitate a restoration of private ownership of gold, a step which, obviously, the present U. S. administration would be loath to take, particularly as the present intergovernmental arrangement appears, for the time being at least, to be working out satisfactorily.

* * *

Kenty May Mill

KENTY GOLD MINES LTD. is being wound up, but the process is unique since it is decided to equip the property with a small mill and to continue operations as a salvage venture.

Kenty's liquidator called a meeting of shareholders to discuss the project which requires about $5,000 and the services of 8 men to operate a small amalgamation mill and other equipment. Shareholders this week approved the plan and a 5-ton mill will be erected on the property.

The move recalls the disappointing development of the Kenty claims and other properties in the Swayze area in Northern Ontario, where rich surface finds led to a wave of excitement over the area's possibilities several years ago. The liquidator retained 2 men on the property who worked during the summer on extraction of the high grade. They were paid on a percentage basis and the company received a small net return.

The liquidator's inspectors state a profitable operation can be conducted on at least 3 of the known veins by following rich ore bodies downward from the surface and recovering the gold in a small mill.

According to the inspectors, such an operation "would pay from the start and a satisfactory profit could be won in mining the rich ore."

Without resorting to this plan, "the shareholders have little chance of realizing anything on their mining properties," the inspectors state.

Assets of Kenty which passed into the hands of the liquidator included cash, plant and equipment, 500,611 shares of Argosy Gold Mines, and the company's property. Interim distribution of Argosy shares was carried out, but the new venture may result in further benefits for Kenty shareholders.

It may also point the way toward small-scale development of other sections of the Swayze area where former mining methods, costly as they were, failed to meet early expectations. Swayze was never a Porcupine camp or a Kirkland Lake area and much of the disappointment in the area is due to attempts to develop the camp on lines unsuited to conditions of its gold deposition. The Kenty project appears to be a belated move in the right direction, although it is intended only as a salvage operation.

Lebel Oro Mines—L. K. Fletcher, president, reports that sufficient ore has been blocked out on the Long Lake property to justify installation of a 75-ton mill, work on which will start immediately. According to Mr. Fletcher, 40,000 tons of ore has been blocked out in the old workings averaging $10 per ton. New ore has also been indicated by diamond drilling.

Toronto Lists Paulore Stock

Red Lake Company Shows Strong Liquid Position

The stock of Paulore Gold Mines has been approved by the Toronto Stock Exchange for listing, and trading started Oct. 27.

Paulore Gold was incorporated with an Ontario charter in July, 1934. Authorized capitalization amounts to 3 million shares $1 par value, of which 2,011,076 shares were issued as of Sept. 26, 1936. Of the shares outstanding, 1,003,576 were sold for cash, realizing $141,803. Another 850,000 shares are held in pool until Sept. 19, 1937, for release subject to the consent of the Toronto Stock Exchange and the Ontario Securities Commission.

Paulore's property consists of about 450 acres in St. Martins Bay, Red Lake area and about 450 acres west of Howey. About 2,500 ft. of drilling has been done, and the present development plan includes the continuation of diamond drilling on both groups of claims, in addition to surface work. When justified, underground work will be started.

As of Aug. 31, current assets are shown at $115,859, of which $98,300 was cash. Current liabilities totalled $4,514.

Raising Capacity Of McKenzie Mill

Dump Ore Lowers Recovery Per Ton in Third Quarter

Increased milling and a drop in grade, due to dump ore, are mirrored in the quarterly report of McKenzie Red Lake Gold Mines for the quarter ended Sept. 30, 1936.

W. G. Armstrong reports that during the quarter, development was continued on all levels down to 450 ft. and drifting was carried north and south on the new 550 and 650-ft levels, with results in the latter work similar to those in opening upper levels.

Surface prospecting was carried out on claims lying to the south and west of the main workings.

The following table shows quarterly production for the third and second quarters of this year:

Quarterly Production

Quarter ended	Tons milled	Tons daily	Rec. per ton $	Bullion recov. $
June 30 ..	12,830	141	15.81	202,788
Sept. 30 ..	13,296	144	13.10	174,228

Stadacona Rouyn Mines Plans to Deepen Shaft

From Our Own Correspondent

MONTREAL.— Stadacona Rouyn Mines announces that deepening of the shaft from 600 ft. to 1,200 ft. is now under consideration. Lateral development will be carried out at intervening levels at 100 or 150 ft. intervals. Diamond drilling has already indicated favorable ore conditions to the 1,400-ft. level. It is expected the shaft deepening will commence before next spring and if anticipated results are obtained, milling operations can quickly be doubled to 400 tons daily at small additional cost.

The 200-ton mill has been running since the middle of October and will shortly reach greater capacity. The balance of $100,000 due on the mill will be paid by monthly production, it is officially stated.

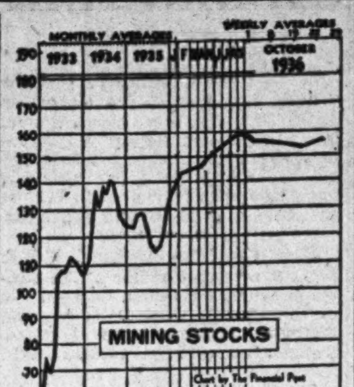
Matachewan Consol. Cuts Operating Costs

Due to an increase of some $20,000 in the amount spent in mining development, operating profit of Matachewan Consolidated Mines, Ventures' subsidiary, for the quarter ended Sept. 30, 1936, shows a slight drop under the profit shown in the similar quarter last year. Increased development costs, however, have been partially offset by a reduction of about $8,000 in operating costs.

The figures below show the record of the mine in the third quarter of this year compared with that of 1935. No allowance has been made for taxes, depreciation, or deferred development.

QUARTERLY EARNINGS
3 Months Ended Sept. 30

	1936 $	1935 $
Net income from metals prod.	106,511	98,651
Less: Devel. & oper. costs	86,760	73,944
Est. oper. profit	19,751	24,707
Add: Non-oper. rev.	101	136
Est. total profit	19,852	24,843
Tons of ore milled	12,563	12,282



Index to Mining Stocks

AN INCREASE of more than 2 points was shown in the general index for 23 mining stocks for the week ended Oct. 22 at 159.4 against 156.8 the previous week, the Dominion Bureau of Statistics reports. The index, on the base 1926 equals 100, was 119.1 the corresponding week last year.

The index for 20 gold issues was 126.3 compared with 126.1 the preceding week and 107 a year ago.

The index for 3 base metals stocks was 296 against 283.6 the previous week and 169.2 last year.

Tecumseh Opens Kenora Property

Drilling and Drifting on 235 Level to Start Immediately

With finances provided through purchase of a block of shares by a Toronto financial group, Tecumseh Gold Mines Ltd. is inaugurating an underground development programme on its property in Kenora, adjoining Big Master on the northeast.

Equipped with a complete surface plant and a 40-50-ton mill, the property is being placed in condition, the mill cleaned, repairs made to the assay office, piping laid from the new boiler to the power house and the shaft cleaned to the first station.

Immediate plans call for a diamond drill station on the 235-ft. level where flat drilling will be done to check showings on 7 veins cut in the crosscut at that horizon. Drifting will be continued at the same time at the 155-ft. level where results of former exploration showed an ore shoot of 219 feet averaging $18 gold per ton in value.

If present financing plans prove successful, officials believe the property can be placed in production on a 50-ton daily basis in about 6 months, The shaft was carried down to 255 feet, about 1,100 feet of lateral work done, and 7 veins, from 20 inches to 28 feet wide were exposed by former operators of the property.

Francoeur Gold To Erect Plant

At a meeting of directors of Francoeur Gold Mines it was considered that drilling results to date warranted the placing on the property of plant and buildings of a permanent nature. In the event that underground development confirms the diamond drilling the same equipment will be satisfactory for production purposes.

The new plant will consist of Ingersoll-Rand 800 foot compressor double drum electric hoist and the power transformers.

Directors have also authorized the construction of a power line from the Arntfield property of about half a mile and the construction of about a mile of road from the property to the Kirkland Lake-Noranda highway.

John Knox, Jr. has been appointed mine manager and work will be started at once on a 3-compartment shaft. At present, plans are to complete this shaft to the second level horizon and development work is to proceed from the first and second levels both east and west from the shaft.

W. Hargreaves Has Good Year Report Shows

Upper Level Workings Still Opening Up New Ore

From the point of view of tons milled, and gross value of production Wright-Hargreaves Mines, Kirkland Lake producer, had the best year in its history in the fiscal year ended Aug. 31, 1936, annual report of the company just released shows.

Ore reserves have been increased by 108,122 tons to 1,352,779 tons, with an average value per ton, at $35 gold, of $19.70.

In addition, the surplus has now been built up to the sizeable figure of $4,550,921.

Per share earnings during the year showed slight increase, at about 72 cents. The fact that earnings did not increase in view of gross production increase is due to the fact that development charges were higher, the No. 5 interior shaft having been brought into use. This shaft runs from the 3,600-ft. level to the 5,400-ft. level. This makes possible many new levels for development. The cost of this shaft was charged to current expenses.

The report reflects the fact that during the past year the capacity of the milling plant has been enlarged and an increase of 100 tons per day over that of the previous year was put into effect. Maurice W. Summerhayes, general manager, states that the work of completing development and mining out the upper levels is still to be continued, and is still opening up new ore sections, thereby prolonging the life of the mine.

Current assets, as at Aug. 31 1936, amount to $6,139,084, including cash of $5,165,142. Current liabilities total $926,442.

Following is a comparative income and surplus account for the past 2 years:

Income and Surplus Account
(Years Ended)

	Aug. 31 1936 $	Aug. 31 1935 $
Bullion produced	7,595,231	†6,844,539
Less oper. exps.:		
Devel. & explor.	586,827	488,238
Stoping	848,399	713,854
Trans. & hoist. ore	278,500	260,998
Milling	477,974	462,897
Mktg. bullion	18,399	23,148
Mint charges	75,379	21,376
Gen. surface	97,202	35,476
Stock trans. chgs.	17,395	13,632
Taxes	700,000	470,000
Gen. & admin. chgs.	152,879	141,858
Group ins., silicosis, etc.	75,576	69,585
Net oper. earns.	4,266,701	4,143,477
Add non-oper. inc.:		
Interest	65,332	76,965
Rent, etc.	......	523
Disc. earned	3,013	2,668
Total net earnings	4,335,046	4,223,633
Less: Deprec.	306,737	292,287
*Devel. w/o	85,000	85,300
Net profit	3,943,309	3,846,046
Less dividends	3,320,561	3,308,160
Surplus for year	622,748	537,886
Add: Prev surp.	3,958,361	3,420,375
Less: Adj. inc. tax	30,088	......
Bal. forward	4,550,921	3,958,261

† After deducting special bullion tax of $529,619.

* Written off shaft No. 4.

Earns. per Share & div. Record:		
Earned	$0.72	$0.70
Paid	0.40+.20	0.40+.20

Map Issued by Ottawa of Athabaska Field

Among publications of particular interest issued recently by the Geological Survey, Department of Mines, Ottawa, is a colored geological map of the Goldfields area north of Lake Athabaska, in Saskatchewan. The map is on a one-mile-to-the-inch scale, and covers a 400 square mile section of this busy zone. It is based on investigations made by Dr. F. J. Alcock during the 1935 field season.

Copies of the map may be obtained free of charge by residents of Canada from the director, Bureau of Economic Geology, Department of Mines, Ottawa.

Howey Earnings This Year May Exceed Total for 1935

Earnings of Howey Gold Mines Ltd. for the fiscal year ending next Dec. 31, will be slightly in excess of those recorded for the 1935 period, if results of the third quarter and first 9 months of the year are an accurate guide.

Bullion recovery in the 9-months' period was $952,784 and operating profit totalled $348,619. If the final quarter's operations remain on approximately the same basis, earnings per share might be estimated after depreciation and write-offs at 4.5 cents or slightly over that figure, in comparison with 4.2 cents last year.

Daily tonnage in the third quarter of this year was slightly under 1,400 tons, against 1,477 and 1,452 tons respectively in the first and second quarter. Recovery per ton was $2.46 compared with $2.45 in the first quarter and $2.36 in the second quarter.

Earnings estimated for the full year 1936 are based on the following figures:

Estimated Earnings 1936

	Tons Milled	Tons Daily	Rec. per Ton $	Oper. Cost per ton $	Oper. Profit* $	Bullion Recovery $
1st quarter	132,972	1,477	2.45	1.56	118,000	325,312
2nd quarter	132,115	1,452	2.36	1.52	113,033	311,227
3rd quarter	128,712	1,399	2.46	1.54	117,586	316,245
Total	393,799	....	...	...	348,619	952,784
Average	......	1,442	2.42	1.54	116,209	317,595

* Before depreciation and write-offs.

		†Earn. per sh.
12 months, 1936, estimated	464,926	4.6 cts.
12 months, 1935, actual	443,981	4.2 cts.

† After depreciation and write-offs.

Going! GOING! - -

There are not many copies left of the 1936-7 eleventh annual edition of The Financial Post SURVEY OF MINES. If you are an INVESTOR or otherwise interested in the Mines of Canada and Newfoundland, procure your copy of this standard, ready-reference book at once, if you would avoid disappointment. Complete, accurate information, with more and better maps than ever before.

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Concentrates From the News

Athona Gold Mines new surface discovery consists of a series of high-grade quartz stringers showing free gold in a belt of sediments with a length of at least 1,200 feet. Channel samples of the surface discovery trench over a width of 45 feet gave values ranging from $3 to $11.97 over widths of 12 to 27 feet.

* * *

Blue Star — Crosscutting on the first level at the Blue Star property in Kenora has intersected favorable geological formations and officials expect to cut the No. 1 vein within a few days. The crosscut will be continued to intersect the No. 2 vein, parallel and about 50 feet distant from No. 1. One section of the No. 1 vein on surface, 140 feet long, returned average values of about $20 gold per ton.

* * *

Central Cadillac Gold Mines Ltd. —has elected Paul Geoffrey of Paris, France, a director of the company. He represents French capital interested in the property. The shaft will be deepened to 200 feet, and 3,000 feet of diamond drilling will be started at once.

* * *

Cuniptau Mines—In the Timagami area, has sent forward its 4th shipment of copper-nickel and precious metal concentrates. The current shipment amounts to 80,000 lb.

* * *

Darwin Gold Mines—With a 15-inch vein averaging more than $105 a ton for the 1st 4 rounds, 27 ft. of new ore has been opened up to date in an ore shoot exposed on the 6th level at Darwin Gold Mines in the Michipicoten area of Ontario. Drifting is continuing in the shoot.

* * *

Domestic Natural Gas Co.—R. D. McCrie, field superintendent, advises the Toronto office that the new oil well was brought in in the Bothwell oil fields, where an extensive drilling campaign is being conducted under the direction of Percy Jackson. This makes the 27th well for the company.

* * *

Don Martic Gold Mines Ltd.—has acquired 9 claims in the Sturgeon River area of Ontario, west of Brengold. A system of 11 veins is reported, with all showing free gold. Drilling is planned.

* * *

Eldorado Gold Mines—Installation of new mining equipment, which accelerates development work, will be completed by the middle of November, according to J. P. Ryan, assistant superintendent who has been at the mine at Great Bear Lake for 14 months.

* * *

Gillies Lake-Porcupine Gold Mines Ltd.—Has cut its No. 10 vein from the 300-ft. level for the second time, at a point about 50 feet south of the first drill hole. The vein at this point is shown to be 5 feet wide and assays are running at $12 per ton. Recovery from the mill this month is said to be considerably above any similar period in the history of the company.

* * *

Golden Gate's lateral development and diamond drilling on the 350-ft. level of the western Kirkland Lake property are making good progress, according to official reports. Diamond drilling to the south on this level has intersected porphyry bodies showing heavy sulphide mineralization. Ore grades are being maintained in lateral development on the 200-ft. level.

* * *

Halliwell Gold Mines will carry out the recommendations of Mining Projects of Canada, technical managers of the company's property in Beauchastel Township, to prepare for shaft sinking. Electrically driven equipment, including a hoist capable of sinking to 1,000 feet, has been ordered. Halliwell has about $250,000 in cash and call loans available for development purposes.

* * *

Lake Rowan Gold Mines Ltd.—Has appointed Col. H. Lefebvre resident superintendent at the property located in Red Lake. Mining equipment and machinery have been shipped to the property and active development is planned at Discovery Hill where drifting and diamond drilling will be carried on.

* * *

McKay (Quebec) Exploration Ltd. —Has sold 2 of its properties in Scott Township, Chibougamau district, known as the "Duchesne Island group" and the "Smith" group to Scott Chibougamau Mines Ltd. The latter is a $3 million company recently incorporated. McKay (Quebec) Exploration receives 750,000 shares in Scott Chibougamau and $40,000 in cash. The 750,000 shares will be held in escrow. Diamond drilling in the Duchesne Island group following the freeze-up and further work on the Smith group is planned. A narrow quartz vein carrying free gold is the most interesting discovery on the Smith group to date.

* * *

McWilliams - Beardmore Mines—Values up to $21.42 across 5 feet of drill core have been revealed from 3 diamond drill holes at the property adjoining the Northern Empire Mines at Beardmore, Ont.

* * *

Minto Gold Mines—in B. C. reports September revenue, including adjustment on August shipments, amounted to $26,350. Profit, including adjustment but before mineral tax, amounted to $4,894.

* * *

My Lamaque—A second diamond drill, enabling My Lamaque Gold Mines to carry operations to a depth of 1,800 feet, has been set up on the property to test the structure at depth. Additional claims have been acquired by the company bringing total acreage to about 720 acres in one block.

* * *

Porcupine McNabb — will carry out further drilling on its property at the southeast corner of Night Hawk Lake, according to an official announcement. A. Hasselbring, M.E., believes 3 of the previous drill holes which gave negligible results must be extended a farther 50 feet to cut the vein.

* * *

Porcupine Triumph Gold Mines Ltd.—is planning shaft sinking to the 200-ft. level of the Porcupine property to intersect the main quartz vein cut by drilling at a depth of 170 feet on the north group. The south group, adjoining Concordia, is being developed by a crew on surface and new veins are being uncovered.

* * *

Richmac Gold Mines Ltd.—Resampling of old trenches in the eastern sector of the property, after blasting fresh surfaces, has indicated an apparent average of $36.40 over a width of 9 feet and for a length of one to 8 feet. Some of the values for 3 foot widths are in excess of $100 gold per ton. In the western sector, assay returns have not been nearly so high, according to an interim report by A. L. Reading, consulting engineer, but across nearly 200 feet of the mineralized belt channel sampled to date, gold values are described as continuous and fairly uniform.

* * *

St. Pierre Cadillac Mines — has extended its holdings in Cadillac twp., Que. to 1,200 acres. Trenching work and stripping has been completed over about 3,000 ft. The property borders on Century Mining, Pandora Cadillac, and Central Cadillac.

* * *

Tonawanda Mines Ltd.—has encountered 5 feet of mineralized material in diamond drilling at a depth of 165 feet to 170 feet on its property in Cadillac Township, Que. Officials state the new showing appears to be an extension of the Pandora Bell vein where high grade is reported at the 375-ft. level.

* * *

True Fissure Mines — Drilling is underway on the Cadillac-Quebec property of the company, where to date, 10 veins have been uncovered. A crew has started prospecting on the company's Dubuisson property.

* * *

Wascanna Mines Ltd. — has concluded a contract with Dr. Hans Lundberg to conduct a geological and geophysical survey of the company's properties in Kowkash. A Diesel-driven power plant has arrived at the property and with its installation the shaft will be completed to the second level. Lateral development of the ore body exposed on the first level will follow.

B.C. Marketing Nickel in Japan

May Concentrate Ore at Trail Smelter Soon

From Our Own Correspondent

VANCOUVER. — Japan is still proving a valuable market for the product of B. C. Nickel Mines near Choate, and another 1,000 tons of nickel-copper ore was recently shipped across the Pacific, following up the initial shipment of 500 tons.

It is said that some of the ore may be shipped to the Trail smelter in the near future for treatment, so that the nickel may be eventually transported to Japan in the form of concentrates.

Major C. B. North reports steady progress is being made to prove up additional ore bodies at B. C. Nickel's property.

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Copper Output To Increase With Price at 5-Year Peak

Excessive world supplies of copper, falling prices and slow demand were the reasons why leading producers of Europe, South Africa and South America agreed in June, 1935, to restrict copper production to 70% of an agreed standard output.

Sixteen months later, the restriction committee has raised the allowable to 95%, confirmed the value of "planned economy" in the copper industry, and revised production schedules to meet active industrial demand and the scramble among European countries to secure the metal for rearmament purposes. New York export prices of copper, in Canadian funds, averaged slightly more than 7½ cents in 1935. This week, coincident with the announcement of the restriction committee in London, export copper sold at 10.20 cents a pound, European ports, the highest price in 5 years.

Higher Prices in 1936

Increase in the percentage of agreed standard output follows a gradually firmer price trend in world copper prices, with the exception of the U. S., where a 9-cent tariff on copper imports isolates the U. S. from the world situation as a whole. Last week's increase was the fourth since June, 1935, and became effective Nov. 1.

Belatedly, the copper restriction plan was meant to correct a top-heavy situation which had grown steadily worse since 1930. From more than 18 cents a pound in 1929, average N. Y. export copper prices, in Canadian funds, dropped to an average of less than 13 cents in 1930; slumped to an average of little more than 8 cents in 1931, plunged to a low of 5½ cents, average, in 1932. Recovering to an average price of 8.4 cents in 1934, copper again sold down to an average of 7½ cents last year.

Effect of the increase in allowable output will probably be to increase competitive conditions in world export markets and prevent any sudden, spectacular jump in prices over current levels. Canada, contrary to London dispatches, was never a party to the restriction agreement, but refrained from dumping excessively low-priced copper on world markets and by this policy helped to restore copper prices to an economical production and price basis.

Canada's position in the revived world market for copper is unique. Unlike competitors in other parts of the world, Canadian copper is chiefly a by-product of other metal extraction from ores in the Sudbury and Noranda areas. Sought as a signatory of the restriction plan in 1935, leading Canadian producers declined, and pointed out at least one of the largest Canadian producers must turn out 2 pounds of copper for every pound of nickel it produces, and Noranda, nominally a copper mine, is also one of Canada's leading gold producers. Ore reserves at Noranda have an estimated metal content of $6.36 in gold and about 50 pounds of copper per ton.

Copper Stored in Canada

Solution of the difficulty created by Canada's position as a copper producer was the so-called "gentlemen's agreement," by which Canadian producers made it clear that no move would be made to endanger the recovery of the industry as a whole. Still hoisting millions of tons of ore, treating it for recovery of nickel, copper, gold, selenium, tellurium and other metals, Canadian producers nevertheless stored their copper above ground, waited for better times.

Rising prices and renewed demand have enabled leading Canadian copper companies to profitably dispose of at least a part of stored supplies and such companies as Sherritt-Gordon long ago made plans for reopening mines which had been closed because only copper could be produced in commercial tonnages.

Producers of copper and other metals meanwhile see improved conditions ahead.

Quebec Gold Mining Options Conley Mines

From Our Own Correspondent

MONTREAL.—Quebec Gold Mining Corp. notifies the Montreal Curb Market that the company has taken options on treasury stock of Conley Mines Ltd., situated at Wallace Lake, Man. Work on the property is now proceeding with a crew of 20 men under the direction of Quebec Gold Mining's chief engineer.

Mosher Long Lac Work Centred on Three Zones

Since drilling started on the property of Mosher Long Lac Gold Mines, on August 1 last, work has been centred on 3 definite zones. The work on the south porphyry zone indicated several narrow lenses of sulphides where some good assays were obtained, but widths were not indicative of commercial ore at the horizon intersected. Work for the time being has been terminated here.

The north porphyry zone about 500 ft. north has indicated commercial values and widths. Drilling is being continued in this area, the 300-ft. horizon.

A second diamond drill is operating on the mineralized zone recently opened up by surface work on the western part of the company's property. This zone to date has corroborated the surface indications, the company reports. Drilling is continuing.

Coniaurum Mines Shows All Round Improvement

Considerable improvement in tonnage milled, per ton costs, as well as a slightly higher grade per ton milled, is shown in the 3rd quarter report of Coniaurum Mines. Recovery per ton in the third quarter of 1936 works out to about $7.78, as compared with $7.15 in the 1935 period.

The 1936 and 1935 third quarter results are compared in the following table:

QUARTERLY EARNINGS
3 Months Ended September 30

	1936	1935
Tons of ore milled	42,145	35,110
Net inc. from metals produced	$328,179	$251,312
Less: Devel. & oper. costs	272,869	223,477
Est. oper. profit	55,310	27,835
Add: Non-oper. rev., incl. profit from sale of secs.	7,959	8,049
Est. total profit	63,269	35,884

Note:—In above figures no allowance has been made for taxes, depreciation or deferred development.

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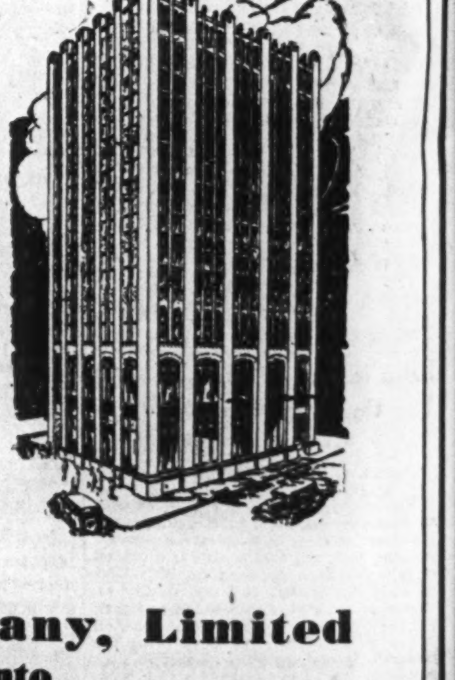

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Schreiber Area May Soon Boast Four Producers

Small Mills to Operate at Empress, Gold Range

TEST MILLS ALSO

From Our Own Correspondent

HUDSON.—The Schreiber area of the Port Arthur mining division will have 4 small producing gold mines within a few months.

Chief of these is Empress Consolidated Gold Mines which is to install a 50-ton mill for testing low-grade large-tonnage ore body near Jackfish station. During the summer over-burden was removed by hydraulic methods unique in Canadian mining. A programme of diamond drilling is in progress with a view to checking along a 1,500 foot length of ore 100 feet wide on surface, with average width of 63 feet. Average values run between $6 and $8.

Under early development an adit was driven into the hill and cut the vein at a vertical depth of 100 feet. Width was 63 feet and grade $8. When the present programme of drilling, which may take a year to complete, is finished, 3 more adits will be driven into the hill along the 1,500 foot length of ore. Should the vein stand up, officials state sufficient ore for a 500-ton mill might be proved.

North Shore Expands

North Shore Gold Mines, pioneer producer of the Schreiber area, having commenced operations in 1934, recently stepped-up the mill-rate from 10 to 20 tons daily. Machinery installed is sufficient to treat 50 tons on 3 shifts. Two thousand feet of diamond drilling completed during the summer indicated the vein to average $77 across 13 inches for length of 800 feet while this vein has been established to have minimum length of 1,000 feet. It is estimated sufficient ore for 2 years is available by development of this showing.

Gold Range Mines Limited is tuning-up a 25-ton mill which is to be fed by open-cut operations from No. 1 and 2 high-grade veins. Concentrates will be shipped to a smelter. The company is preparing to diamond drill while underground work is being pushed by continuing one of the adits into the hill to prepare stopes.

Schreiber Pyramid

Schreiber Pyramid Gold Mines is installing a 3-5-ton Jack Nutt mill for test purposes. No. 1 vein, on which 1,500 feet of diamond drilling was completed a few weeks ago, has been exposed for 1,000 feet. Full details of the drilling programme have not yet been announced. The company is shipping machinery to the property so that a prospect shaft can be sunk as part of the development programme.

A 25-ton mill is installed at the Harkness-Hayes Gold Mines, adjoining Gold Range, but this property is now inactive while funds are being raised to continue development.

Several other Schreiber groups are carrying out surface work. The area is particularly well situated for transportation facilities, all the present properties being within a few miles of the main line of the C.P.R. while camps of Harkness-Hayes and Gold Range lie along the tracks.

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Ontario Gold Production Approaches $60 Millions

Nearly all Ontario gold and silver camps shared in the decline of gold and silver production during September, compared with August totals but in all areas the value of production was well maintained above totals for September, 1935.

Ontario as a whole showed a decline from $6.7 millions in August to $6.6 millions in September, due largely to the shorter period of operations.

The total this year to date is $59.2 millions against $54.5 millions in the corresponding period of 1935.

MONTHLY OUTPUT OF ONTARIO GOLD MINES

	1935 Tons	1935 Value $	1936 Tons	1936 Value $
Porcupine Belt:				
First quarter	922,555	7,530,535	963,157	8,084,408
Second quarter	939,400	8,312,013	973,033	8,661,512
July	325,891	2,854,024	338,885	3,234,981
August	334,481	2,945,739	350,788	3,065,100
September	319,978	2,680,134	340,930	2,985,978
Total	2,842,305	24,322,445	2,966,793	26,031,929
Kirkland Lake Belt:				
First quarter	478,229	7,843,745	516,796	8,464,680
Second quarter	494,556	8,271,005	549,982	8,584,337
July	172,025	2,847,528	188,918	2,820,900
August	174,634	2,886,670	186,008	2,731,137
September	165,969	2,706,896	177,994	2,622,448
Total	1,485,413	24,555,844	1,619,700	25,223,502
Matachewan:				
First quarter	66,393	295,824	90,506	364,733
Second quarter	76,854	351,576	98,633	367,941
July	27,232	115,524	31,837	109,472
August	29,960	138,335	31,602	115,031
September	30,599	147,577	29,555	104,241
Total	231,238	1,048,836	282,133	1,061,418
Northwestern Ontario:				
First quarter	182,054	1,046,649	260,518	2,146,105
Second quarter	216,718	1,606,841	263,388	2,295,941
July	57,611	585,981	87,833	776,154
August	84,196	656,498	98,031	841,857
September	79,915	652,949	106,469	908,072
Total	620,494	4,548,918	816,239	6,968,129
Total for Ontario:				
First quarter	1,649,431	16,716,753	1,820,979	19,059,926
Second quarter	1,727,328	18,541,435	1,885,036	19,909,731
July	582,759	6,403,057	647,473	6,941,457
August	623,271	6,627,242	666,429	6,753,125
September	596,461	6,187,556	654,948	6,620,739
Grand total	5,179,450	54,476,043	5,664,865	59,284,978

Thompson-Cadillac Reports Progress

Over $18,800 Recovered in September—Exploratory Work Encouraging

From Our Own Correspondent

MONTREAL.—Thompson-Cadillac Mining Corp. reports that in September 2,125 tons of ore were treated giving a production of $18,830, of which $7,550 was bullion shipped to the mint and the balance of $7,280 was gold concentrates sent to the stock pile The grade of ore sent to the mill averaged $9.95, from which an extraction of 94.6% was realized by amalgamation and flotation. The mill averaged 71 tons per day and operated 93.47% of the available time during the month.

Under arrangements made with foreign ore buyers the stock pile of concentrates is now being shipped. The company will realize a profit on this material and it is planned to sell the daily output, amounting to 5 or 6 tons, to the same purchasers.

Produce Mill Feed

In regard to development work, the management reports in September new ore was being opened up on the eastern part of the 150-ft. level on the No. 2 vein which produced mill feed for the entire distance advanced. In the west section of the mine the 602 drift advanced to a position vertically under the high-grade disclosures on the 150-ft. level and a crosscut south was advanced to what appears to be the No. 2 vein.

Howe Sound Co. Reports 3rd Quarter Increase

Howe Sound Co., holding company, reports earnings per share of $1.32 in the 3rd quarter of the current year, compared with earnings of $1.18 and $1.12 in the second and first quarter respectively. In the fiscal year ended Dec. 31, 1935, earnings per share amounted to $4.94.

The following tables show earnings figures, together with metals sold, for the third and second quarter of 1936.

Quarterly Earnings

	3rd qu. 1936 $	2nd qu. 1936 $
Value of metals sold	3,191,169	2,974,155
Less Oper. costs	2,677,037	2,521,006
Oper. profit	514,132	453,149
Add: Misc. income	200,147	184,214
Total income	714,279	637,363
Less: Depreciation	89,039	75,958
Net surplus	625,240	561,405
Earns. per Share	$1.32	$1.18
Metals Sold:		
Gold oz.	3,114	3,064
Silver, oz.	1,109,480	1,074,948
Copper, lbs.	6,031,507	4,549,841
Lead, lbs.	31,390,860	30,288,286
Zinc, lbs.	29,956,913	27,172,617

Old Diamond Gold To Deepen Shaft

J. E. Ayrhart, president of Old Diamond Gold Mines near Madoc, Ontario reports that the No. 1 vein has now been proved by diamond drilling for 1,200 ft. The holes have been put down to an average depth of 140 ft. and, drilling to depth, upward of 500 ft. has been started.

Equipment for sinking a shaft is now being installed and is expected to be in operation within a few days at which time No. 1 shaft will be deepened and a crosscut driven over to the area in which No. 3 drill hole intersected a 5-ft. width of vein material.

Gurney Gold Mill Talked

100-Ton Unit Recommended for Operations in 1937

From Our Own Correspondent

WINNIPEG.—Gurney Gold Mines appears definitely in the field for a mill during 1937, according to the report of C. B. Dawson, consulting engineer.

The report covers each of the 3 levels and the 2 main vein systems so far developed by crosscuts and drifts. It points out that surface exploration is exposing in various sections, strong zones of shearing carrying quartz and sulphides and in one instance, coarse gold. Some of these occurrences, Mr. Dawson says, have definite promise of merit and will be tested for depth by diamond drilling.

74,000 Tons .36 oz. Ore

On the 3 levels to date the report submits tonnage of 74,000 tons of ore averaging .36 ounce across an average width of 60.7 inches. The average grade of .36 ounce is also a minimum figure reached by compilation of assay values in drift faces.

The estimated tonnage and grade, the report says, justifies serious consideration of the erection of a mill of at least 100 tons daily capacity. In his recommendation Mr. Dawson suggests that erection and size of mill be delayed until early in 1937. The supplying of mill feed earlier would interfere with the work of opening lower levels and he recommends the shaft be deepened during the winter. He also points out electrical power will not be available for purchase before the spring of 1937.

OPTIONS

The following options and underwriting agreements have been reported to the Toronto Stock Exchange:

Moneta—An additional 100,000 shares have been sold at 90 cents per share, and 16,500 shares have been issued in payment for 2 mining claims adjacent to the company's Porcupine property.

Morris Kirkland — An additional 12,000 shares have been taken up at 50 cents per share, part of the 50,000 share block under option at that price until April 11, 1937 under agreement dated June 23, 1936.

Laguna—October 15 installment covering 50,000 shares at 50 cents per share has been taken up. Balance of option comprises 132,995 shares at 50 cents with payments provided November 15, December 15 and December 31.

Lebel Oro—An additional 28,750 shares, balance of October 15 payment have been taken up at 20 cents per share under agreement dated April 30, 1936. Balance of option comprises 100,000 shares at 25 cents by November 14.

Manitoba & Eastern—An additional 37,500 shares, balance of October 30 installment, have been taken up at 20 cents per share under agreement February 24, 1936. This concludes the option.

Porcupine Crown—October 15 installment of $10,000 covering subscription price on 100,000 shares at 10 cents has not been made and application has been made for an extension of time for payment.

Towagmac—A block of 10,000 shares has been sold for $1 per share.

Big Missouri—An additional 25,000 shares have been taken up at 50 cents per share under option agreement dated December 9, 1935. Balance of the option comprises 1,343,133 shares at 50 cents per share. At a meeting of the board of directors September 11, a by-law was enacted extending the term of the balance of the option from December 31, 1936 to July 1, 1938 and this was confirmed at a special general meeting of shareholders October 12. The option provides that such number of shares shall be purchased from time to time as will, in the opinion of the directors, provide sufficient funds to carry out the operations of the company, including erection of the mill and installation of the power plant.

East Malartic—An additional 5,000 shares taken up at 60 cents per share under option and underwriting agreement of Oct. 31, 1935.

Grull Wihksne — An additional 100,000 shares taken up at 8 cents per share under option agreement, Sept. 2, and balance of Oct. 13 installment, together with all subsequent installments, extended for one month. Balance of option comprises 50,000 shares at 6 cents per share by Nov. 13, 100,000 at 10 cents by Dec. 13 and 200,000 shares at 12 cents per share by Jan. 13.

Lava Cap—Installment due Oct. 11 under underwriting agreement, April 21 has not been made and agreement has been amended to provide that balance of payments may be made as follows: 35,000 shares at $1 per share on Dec. 15, 1936, and 70,000 shares at $1 per share April 1, 1937.

Roche Long Lac — Oct. 17 installment under underwriting and option agreement dated Oct. 6, has not been taken up. Extension of 10 days is granted. Balance of the option consequently becomes 25,000 shares at 35 cents per share and 25,000 shares at 40 cents per share by Oct. 27.

Sladen Malartic Mines Ltd. advises that an additional 18,000 shares have been taken up at 55 cents a share under the option agreement of Nov. 5, 1935. The balance of the option consists of 169,000 shares at 55 cents and 300,000 shares at 65 cents, the latter block donated for treasury purposes.

Pandora Cadillac—High grade ore has been reported 170 ft. in on the 375-ft. level of Pandora Cadillac. To date, 3 cars have been removed and the face is still reliably reported to be in high-grade ore.

Teck-Hughes Net Earnings 50c a Share

Lamaque Reported Making Headway in Paying Off Bonds

Improved earnings, and materially strengthened working capital position, are shown in the final annual report of Teck-Hughes Gold Mines for the fiscal year ended Aug. 31. At the same time, the report reflects the strong position of the Teck subsidiary, Lamaque Gold Mines.

The report of the president, Dr. D. L. H. Forbes, confirms his previous statement to the effect that the limit of depth for profitable ore was near. Negative results were obtained by drilling across the ore zone by inclined holes to various vertical depths down to 6,650 ft. As to positive ore reserves, the finding of new ore at various places in older parts of the mine tended to compensate for the failure to find ore in substantial amounts at the 48th, 49th and 50th levels. At the end of the year, positive reserves had diminished by only 33,930 tons. Average grade was maintained. The general superintendent reports the technical estimate of positive ore at Sept. 1 at 649,779 tons.

Net profit for the year amounted to $2,423,360 or, on the basis of 4,807,144 shares outstanding, about 50 cents per share.

Working capital, at $2,199,663, was materially improved over the $1,883,299 shown last year.

Comparative profit and loss accounts for the two years, 1936 and 1935, follow:

Income and Surplus Account (Years ending Aug. 31)

	1936 $	1935 $
Bullion prod.	4,777,666	†4,678,875
Less oper. exp.:		
Devel. & explor.	181,085	332,318
Mining	1,114,326	1,083,287
Milling	431,005	456,809
Gen. exp.	277,381	286,503
Taxes	431,739	279,454
Exam. new props.	46,491	35,286
Oper. earnings	2,295,639	2,205,218
Add non-oper. income:		
Int. earned gen. invest.	27,310	64,365
Int. earned Lamaque	100,411	67,305
Total net earnings	2,423,360	2,336,888
Less: Depreciation	......	......
Net profit	2,423,360	2,336,888
Less: Dividends	2,163,214	1,922,858
Surplus for year	260,146	414,030
Add prev. surplus	3,740,306	3,787,962
	4,000,452	4,201,992
Add: Prof. on sec. sold	......	19,028
Less: Divd. paid Nov. 1, 1934	......	480,714
Addit. income tax for prev. year	17,737	......
Balance forward	3,982,715	3,740,306
Earnings per Share & Dividends:		
Common, earned	$0.50	$0.49
Paid or payable	$0.45	0.40

†After bullion tax of $338,281.

Beresford Lake Nearing 365 ft.

Solo Shaft Dewatered Past 125-ft. Level—Survey Made

Beresford Lake Mines at Beresford Lake in Manitoba has dewatered the Solo shaft to a depth of 245 ft., E. S. McCarthy, mine superintendent states. The crosscut on the 125-ft. level, connecting the Solo and Oro Grande shaft is now clear of water and surveying is in progress. Mr. McCarthy states that in view of the speed at which the Solo shaft is being dewatered it is expected work on the 365-ft. horizon will be under way in a short time.

In the meantime a new hoist which has been installed on the vertical shaft is now operating satisfactorily and no adjustments of any importance have been necessary.

On the 250-ft. level, where 230 ft. of ore averaging $15 over 51 inches has been opened up, the superintendent reports the shear at the time of writing, is well mineralized and the drift roof and walls show a considerable amount of quartz.

Fox Lake Reports Consistent Values

Fox Lake Gold Mines, in the West River area, near Sudbury, is now busy with the next step in the exploration programme. Nineteen Pilot Holes cutting the vein at an average vertical depth of 100 ft. showed consistent values over a length of about one mile.

A steam drill, capable of going to 2,500 ft., has been purchased, and is now down 150 ft. on hole No. 20. This hole is sited to cut below Pilot Holes No. 3 and 4, which cut the vein at 100 and 300 ft. respectively, and showed 60 ft. of vein matter, assaying approximately $3.80 per ton (at $35) narrowing to 55 ft. of vein matter at 300 ft. in depth, with assays approximating $8 per ton.

The present drilling is expected to cut the vein at 500 ft., and if values increase consistently as expected, the drill will be moved further east and sited to cut the same vein at 500 ft. Engineers recently on the property state that a continuation of values increasing in the same ratio would warrant shaft-sinking on this location, if found at the 500-ft. mark.

Bulolo Gold Dredging Recovery Up in September

From Our Own Correspondent

MONTREAL.—Bulolo Gold Dredging reports September production of 11,794 fine ounces of gold, compared with 12,484 ounces in the previous month and 11,292 ounces in September last year.

Estimated working profit last month amounted to 8,457 ounces, equivalent to $295,995 in Canadian funds with gold at $25 an ounce. In August the working profit was estimated at $302,995 and in September, 1935 amounted to $290,780.

During the month 981,300 cubic yards of gravel were dredged as against 978,000 cubic yards in August and 931,000 cubic yards in September last year.

Capps Gold Mines—plans to start actual construction of the 100-ton mill unit within the next few weeks. The company reports there is approximately $100,000 in the treasury.

Falconbridge Expansion Swings Into Full Stride

Smelter Treating 1,050 Tons Daily — Underground Development Exceeds Early Hopes — 30% Increase Pending

From Our Own Correspondent

SUDBURY.—Through the enlarged smelting units recently brought into operation Falconbridge Nickel Mines is now handling 1,050 tons daily in its smelter, compared with approximately 900 tons last year. The augmented plant is working satisfactorily, and the new slag disposal programme is now in operation.

The changes in the smelter were made sooner than intended, the management taking advantage of the failure of the power supply through destruction of the Stinson plant of the Ontario Hydro-Electric Commission, to proceed with the alterations which are part of the general expansion programme. When the enlargement is ready to go into full operation about the end of the year, the smelter will take 1,250 tons daily.

New Ore Sources

Development through No. 5 shaft is opening up new ore rapidly. On the 500-ft. level is a total of 8,000 ft. of lateral work from west to east, and it is estimated that at least 80% of this is in ore.

The No. 5 shaft is at its objective for the moment. It has been sunk 1,820 feet, and the management deems it unnecessary to carry it farther at present. A station has been cut at the 1,750-ft. level, and in order to test the ore deposit at this horizon some diamond drilling has been carried out with excellent results. A flat hole disclosed ore of a good average grade, slightly better than the values at the 1,200-ft. horizon.

From Three Levels

When the new mining programme is in full swing early in the new year, it is likely that the 500, 1,000 and 1,200-ft. levels will supply most of the ore although in all 7 levels have been opened from the new shaft.

When originally announced, the current expansion programme was designed to increase production 25%, unofficially it is contemplated that when in full operation the new facilities will provide a boost of approximately 30% in output. In 1935 the smelter treated 302,510 tons, working 346.93 days or 95.3% of the possible time. Handling 1,250 tons daily, and at a conservative estimate of 340 days, the reduction plant in 1937 should treat around 425,000 tons.

Last year the Norwegian refinery produced in marketable form 10,753,756 pounds of nickel and 5,029,525 pounds of copper, the recovery in matte being 1.877% nickel and .858% copper. Treating 425,000 tons of ore in the smelter, with the same average recovery, approximate production would be 15,725,000 pounds of nickel and 7,225,000 pounds of copper, substantially more than 25% increase in each case.

Progress Underground

Underground development has proceeded beyond expectations, J. C. Hardy, Falconbridge president, told The Financial Post, and every department of the mine is in splendid shape, following the loss of 23 days due to the suspension of the power service and changing over of the smelter.

One of the important factors in Falconbridge operations is the enormous addition being made to ore reserves. At Dec. 31, 1935, the company reported 4,059,475 tons, averaging 1.93% nickel and 0.91% copper, a tonnage sufficient for more than 10 years requirements after the projected increase in production is effected.

Reserves Mounting

There are over 400,000 tons of broken ore in the present main workings, enough for a full year's operation on the enlarged scale. It is quite evident the company will be in a position to report a considerable increase in ore reserves when the annual statement is issued for the current year.

Falconbridge, of course, apart from the enormous gain of recent months in mineral resources, has enhanced its ore possibilities by the acquisition during 1935 of 633 claims at points of geological interest along the Norite rim.

New Mining Companies

Alert Placers—B. C. incorp., Sept. 2, 1936. H. O., 219-220 Rogers Bldg., 470 Granville St., Vancouver. Author. cap. $75,000, par $1.

Anglo American Exploration — Que. incorp., Aug. 21, 1936. H. O., Montreal. Author. cap. 49,999 shares of $1 each.

Anglo Sudbury Nickel — Ont. incorp., Sept. 2, 1936. H. O., Toronto. Author. cap. $5,000,000, par $1.

Armont Gold Mines—Ont. incorp., Sept. 16, 1936. H. O., Toronto. Author. cap. $3,000,000, par $1.

Ashton Longlac Gold Mines — Ont. incorp., Sept. 18, 1936. H. O., Toronto. Author. cap. $3,000,000, par $1.

Basin Gold Mining—Que. incorp., Aug. 25, 1936. H. O., Montreal. Author. cap. $3,500,000, par $1.

Bass Lake Gold Mines — Ont. incorp., Aug. 20, 1936. H. O., Sudbury. Author. cap. $3,000,000, par $1.

Burwell Gold Mines—Que. incorp., Aug. 18, 1936. H. O., Montreal. Author. cap. $3,000,000, par $1.

Byshe Red Lake Mines—Ont. incorp., Sept. 23, 1936. H. O., Toronto. Author. cap. $3,000,000, par $1.

Centaur Gold Mines—Dom. incorp., Sept. 2, 1936. H. O., Montreal. Author. cap. 1,000,000 shares no par value.

Daniel Silver Mining—Ont. incorp., Sept. 4, 1936. H. O., Toronto. Author. cap. $1,000,000, par $1.

Deane Cadillac Mining — Que. incorp., Aug. 18, 1936. H. O., Montreal. Author. cap. $3,000,000, par $1.

Derlak Red Lake Gold Mines — Ont. incorp., Aug. 29, 1936. H. O., Toronto. Author. cap. $3,000,000, par $1.

Dona Patricia Gold Mines—Ont. incorp., Sept. 21, 1936. H. O., Toronto. Author. cap. $3,000,000, par $1.

Elder-Red Lake Gold Mines — Ont. incorp., Aug. 14, 1936. H. O., Toronto. Author. cap. $1,500,000, par $1.

Embergold Mines — Que. incorp., Aug. 14, 1936. H. O., Montreal. Author. cap. $1,500,000, par $1.

Eva Lake Gold Mines—Ont. incorp., Sept. 17, 1936. H. O., Toronto. Author. cap. $3,000,000, par $1.

Fontana Gold Mines—Que. incorp., Sept. 16, 1936. H. O., Montreal. Author. cap. $3,000,000, par $1.

Golden Zone Mines—B. C. incorp., Sept. 23, 1936. H. O., 736 Granville St., Vancouver. Author. cap. 3,000,000 shares, no par value.

Gold Mining Financial Corp.—Que. incorp., Sept. 1, 1936. H. O., Quebec. Author. cap. $5,000,000, par $1.

Grenfell Goldfields—Que. incorp., Sept. 4, 1936. H. O., Montreal. Author. cap. $99,000, dividend into 9,900 shares of $10 each.

Gwyn Beardmore Gold Mines—Ont. incorp., Aug. 24, 1936. H. O., Toronto. Author. cap. $3,000,000, par $1.

Heva Cadillac Gold Mines—Ont. incorp., Sept. 15, 1936 H. O., Toronto. Author. cap. $3,000,000.

Heyson Red Lake Gold Mines—Ont. incorp., Aug. 27, 1936. H. O., Toronto Author. cap. $5,000,000, par $1.

Hope District Mining & Development—B.C. incorp., Sept. 15, 1936. H. O., 101 Royal Trust Bldg., 626 Pender St. W., Vancouver. Author. cap. $25,000, par $1.

Jigby Precious Metals Recovery—B. C. incorp., Sept. 9, 1936. H. O., 1506 Standard Bank Bldg., 510 Hastings St. W., Vancouver. Author. cap. 25,000 shares, no par value.

Kaslo Alluvials—B. C. incorp., Aug. 28, 1936. H. O., Alexander Bldg., cor. Front and Fifth Sts., Kaslo, B.C. Author. cap. $25,000, par $1.

Kenland Gold Mines—Ont. incorp., Sept. 3, 1936. H. O., Toronto. Author. cap. $3,000,000, par $1.

Kirama Kirkland Gold Mines—Ont. incorp., Aug. 21, 1936. H. O., Toronto. Author. cap. $3,000,000, par $1.

Kirkking Mines—Ont. incorp., Aug. 19, 1936. H. O., Toronto. Author. cap. $3,000,000, par $1.

Kootenay Chief Mines — B. C. incorp., Aug. 27, 1936. H. O., Room 607 Metropolitan Bldg., 837 Hastings St. W., Vancouver. Author. cap. $100,000, divided into 200,000 shares of 50 cents each.

La Reine Gold Mines—Ont. incorp., Sept. 15, 1936. H. O., Toronto. Author. cap. $3,000,000, par $1.

Laverty Red Lake Mines—Ont. incorp., Sept. 4, 1936. H. O., Toronto. Author. cap. $3,000,000, par $1.

Legion Mines—Ont. incorp., Sept. 9, 1936. H. O., Toronto. Author. cap. $3,000,000, par $1.

Loughborough Gold Mines — B. C. incorp., Sept. 17, 1936. H. O., 624 Birks Bldg., 718 Granville St. W., Vancouver. Author. cap. $750,000, in 1,500,000 shares of 50 cents each.

Louvest Gold Mines—Que. incorp., Sept. 4, 1936. H. O., Montreal. Author. cap. $3,000,000, par $1.

Luscor Red Lake Mines—Ont. incorp., Aug. 27, 1936. H. O., Toronto. Author. cap. $3,000,000, par $1.

Mackey Canadian Explorations — Dom. incorp., Sept. 9, 1936. H. O., Ottawa. Author. cap. 50,000 shares, no par value.

Malco Explorations—Que. incorp., Sept. 3, 1936. H. O., Montreal. Author. cap. $30,000, divided into 300 shares of $100 each.

Mercier Mines—B. C. incorp., Sept. 28, 1936. H. O., c/o T. Mercier, Golden, B.C. Author. cap. $1,000,000, in 2,000,000 shares of 50 cents each.

Mid-Kirk Gold Mines — Ont. incorp., Aug. 20, 1936. H. O., Toronto. Author. cap. $2,000,000, par $1.

Mining Endeavours—Ont. incorp., Sept. 15, 1936. H. O., Toronto. Author. cap. $40,000, par $1.

Moorehead Golds—B. C. incorp., Sept. 21, 1936. H. O., 800 Hall Bldg., 789 Pender St. W., Vancouver. Author. cap. $1,500,000, par $1.

New Otisse Long Lac Gold Mines—Ont. incorp., Sept. 17, 1936. H. O., Toronto. Author. cap. $3,000,000, par $1.

New Red Lake Centre Mines—Ont. incorp., Aug. 24, 1936. H. O., Toronto. Author. cap. $3,000,000, par $1.

North Star Mining—B. C. incorp., Sept. 17, 1936. H. O., 304 Victoria St., Kamloops. Author. cap. $100,000, in 200,000 shares of 50 cents each.

Orareef Gold Mines—Ont. incorp., Sept. 19, 1936. H. O., Toronto. Author. cap. $40,000, par $1.

Pelletier Lake Gold Mines—Ont. incorp., Sept. 22, 1936. H. O., Toronto. Author. cap. 3,000,000 shares, no par value.

Ramsey Gold Mines—Que. incorp., Sept. 11, 1936. H. O., Quebec. Author. cap. $10,000, par $1.

Redwood Gold Mines—Ont. incorp., Aug. 20, 1936. H. O., Toronto. Author. cap. $5,000,000, par $1.

Richard Exploration—Que. incorp., Sept. 5, 1936. H. O., Montreal. Author. cap. 200 shares, no par value.

St. Pierre Cadillac Gold Mines—Que. incorp., Aug. 21, 1936. H. O., Montreal. Author. cap. $3,000,000, par $1.

Schreiber Planet Gold Mines—Ont. incorp., Aug. 24, 1936. H. O., Toronto.

Shephard Red Lake Mines—Ont. incorp., Aug. 24, 1936. H. O., Toronto. Author. cap. $3,000,000, par $1.

Skipper Mines—B. C. incorp., Sept., 17, 1936. H. O., Jesse Kemp Bldg., Bay Ave., Trail B.C. Author. cap. $100,000, in 200,000 shares of 50 cents each.

Smithson Gold Mines — Dom. incorp., Sept. 4, 1936. H. O., Winnipeg. Author. cap. 1,000,000 shares, no par value.

Solidor Mines—Que. incorp., Aug. 29, 1936. H. O., Montreal. Author. cap. $20,000, par $1.

Southern Golds—Ont. incorp., Aug. 31, 1936. H. O., Toronto. Author. cap. $3,000,000, par $1.

Syndicat des Mines D'or Matchi-Manitou—Que. incorp., Sept. 10, 1936. H. O., Quebec. Author. cap. $149,000, in 14,900 shares of $10 each .

Threadneedle Gold Mines—Ont. incorp., Aug. 25, 1936. H. O., Kirkland Lake, Ont. Author. cap., $3,000,000, par $1.

Trout Creek Gold Mines—Que. incorp., Sept. 8, 1936. H. O., Montreal. Author. cap. $3,500,000, par $1.

Twinmac Gold Mines — Que. incorp., Sept. 12, 1936. H. O., Montreal. Author. cap. $100,000, in 10,000 shares of $10 each.

Usher Mining and Development—Ont. incorp., Aug. 28, 1936. H. O., Toronto. Author. cap. 40,000 shares, no par value.

Valbec Exploration—Que. incorp., Aug. 22, 1936. H. O., Montreal. Author. cap. $20,000, in 800 shares of $25 each.

Vega Gold Mines—Que. incorp., Sept. 11, 1936. H. O., Montreal. Author. cap. $3,000,000, par $1.

Vega Gold Mines—Ont. incorp., Sept. 2, 1936. H. O., Windsor. Author. cap. $5,000,000, par $1.

Vipond Cameron Mines — Que. incorp., Aug. 11, 1936. H. O., Montreal. Author. cap. $3,000,000, par $1.

Virgo Larder Mines—Ont. incorp., Sept. 9, 1936. H. O., Toronto. Author. cap. $3,000,000, par $1.

Virgo Placer Mines—B. C. incorp., Aug. 17. 1936. H. O., c/o E. A. Boyle, solicitor, Revelstoke. Author. cap. 10,000 shares of $1 each.

Westwood Cadillac Mines—Que. incorp., Sept. 15, 1936. H. O., Montreal. Author. cap. $3,500,000, par $1.

White Valley Mines—Ont. incorp., Sept. 8, 1936. H. O., Toronto. Author. cap. 500,000 shares, no par value.

Wilwood Gold Mines—Ont. incorp., Sept. 4, 1936. H. O., Timmins. Author. cap. $3,000,000, par $1.

SURRENDER OF CHARTER

Fort Hope Mines—Notice given Sept. 14, 1936, that surrender of charter has been made.

Frontier (Lorrain) Mines—Notice given Sept. 16, 1936, that surrender of charter has been made.

Highland Lass — At a general meeting held Aug. 25, 1936, it was resolved that the company be wound up voluntarily.

Mint-Ore Mines—Notice given Aug. 29, 1936, that application for surrender of charter will be made.

Murwood Gold Mines — Notice given Sept. 4, 1936, that surrender of charter has been accepted.

CAPITAL INCREASED

Allan Red Lake Mines—Supplementary letters patent were issued Aug. 18, 1936, increasing the capital from $4,000,000 to $5,000,000.

Ramore Gold Mining — Supplementary letters patent issued Aug. 27, 1936, increasing the capital from $2,000,000 to $3,000,000.

South McKenzie Island Mines—Supplementary letters patent issued Aug. 18, 1936, increasing the capital of the company from $3,000,000 to $4,000,000.

Standard Minerals of Canada—Supplementary letters patent issued Sept. 17, 1936, increasing capital from $2,000,000 to $4,000,000.

Porcupine Triumph Gold Mines — Supplementary letters patent issued Sept. 3, 1936, increasing the capital of the company from $3,000,000 to $5,000,000.

Que-On Mines — Supplementary letters patent issued Sept. 8, 1936, increasing the capital from $1,000,000 to $5,000,000.

CHANGE OF NAME

Barker Reef Gold Mines—Notice given Sept. 22, 1936, that company had changed its name to Maumee Red Lake Gold Mines.

Gold Creek Mines—Notice given Sept. 15, 1936, that company had changed its name to Rubicon Gold Mines.

Kipper Tashota Gold Mining — Notice given Sept. 10, 1936, that company had changed its name to Lincoln Gold Mines.

Nevada Gold Mines—Notice given Aug. 27, 1936, that company had changed its name to Kelly Lake Gold Mines.

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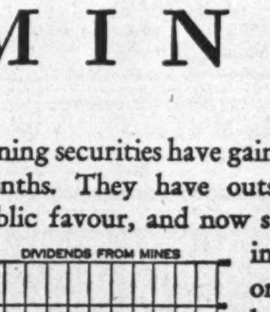

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Canada Buys from U.K.

Sharp Increase in Britain's Purchases from Dominion not Disclosed By Trade Totals—Actual Gain is 30% in Four-Year Period

By KENNETH R. WILSON

In a quiet way, and despite propaganda to the contrary, Great Britain has made very substantial progress in selling to the Canadian market since 1932.

To merely look at Canada's total purchases from the United Kingdom since the time the Ottawa agreements were signed is to greatly underestimate the British gains. Thus, 1936 figures show Britain's purchases from Canada in the fiscal year to have increased only 11% to $118 millions compared with $106 millions in the fiscal year ending March, 1932. And even when dollar for dollar comparison is made for U. K. sales specifically affected by the agreement, the increase is only from $59.4 to $67.5 millions—a gain of only 13.5%.

Alcoholic Nigger in Trade Woodpile

The nigger in the woodpile is alcoholic spirit imports which greatly distort the total due to the new basis on which these imports are now calculated. To get comparable figures for both years a sum of $10 millions must be added to 1936 import totals to offset excise duties not now included in the customs return.

When this is done it is found that import items from Britain affected by the Empire agreement increased not 13.5% but 30% in the 4 years from 1932 to 1936. An even more striking increase of no less than 58% is shown in Canada's purchases of items affected by the agreement if the single item of alcoholic beverages is excluded.

In a previous article the detailed story of Canada's sales to the United Kingdom since the Ottawa pact was told. This article will be confined purely to analysis of Canada's purchases from the United Kingdom since 1932. The figures used will be those of Canadian returns since they afford the most ready basis for comparison.

The major concession granted by Canada to Great Britain at Ottawa was preferential or free entry into this country of a specific list of commodities (220 in number) and known at that time and since as Schedule E of the agreement. When the Ottawa agreement was signed, details of this important list were kept secret and were not disclosed until 2 months later when they were introduced into Parliament by Hon. E. N. Rhodes in the form of special tariff legislation.

British imports to Canada in these specific items amounted in the fiscal year 1931-1932 to $59.4 millions—a figure representing 57% of total British imports to Canada in that year. Four years later (1935-36) British sales in Canada of these same items totalled $67.5 millions—before allowance for the $10 millions difference in alcoholic imports.

Change in Whisky Trade

Prior to 1933 our major import from United Kingdom had been alcoholic spirits—chiefly whisky. In the boom year these imports had crossed the $40 millions mark and even in 1931-1932 our imports were over $21 millions. By that time 2 things were happening to change the picture.

Domestic consumption in Canada had been sharply reduced as a result of depression and, even more important, the termination of prohibition in the United States in 1933 eliminated Canada as an unofficial, "corridor" for the sale of British liquor in that country. As a result the volume of Canada's imports in the fiscal year 1933 dropped to exactly half the previous year's total and amounted to little better than a quarter of the total imported in the peak year 1929.

Since then there has been an increase in the volume of our purchases, especially in the year 1935-36 when 785,000 proof gallons were imported, an increase of almost 50% from the corresponding figure of the 1933 fiscal year. But dollar values as shown in the customs returns have dropped almost in half, due, in part, to lower prices but primarily to exclusion of the excise duty on distilled spirits as at April 1, 1935. The actual trade returns for 1936 show value of liquor imports at but $6.2 millions.

To make this figure comparable with those of preceding years when the excise duty was added, approximately $10 millions must be added to this figure.

Textiles Major Item

The next important group is textiles. In the fiscal year 1936 Canada's total purchases from the United Kingdom were $40.6 millions, an increase of one third over the corresponding figure of 4 years ago. Of this total, The Financial Post estimates that $14.8 millions comprise textile items directly affected by the Ottawa agreements. This total is 38% greater than our trade in the same list of items during the fiscal year ending March, 1932.

Textile items affected by the agreements were something over 25 in number and with the single exception of stockings every item shows a larger trade now than 4 years ago.

Here is the picture:

Major Textile Import Items from U. K. Affected by Ottawa Agreement

	1935-36 $	1931-32 $
Wool yarns	2,587,000	2,453,000
Cotton fabrics:		
(a) Piece dyed	1,750,000	1,161,000
(b) Printed	1,106,000	1,057,000
(c) Unbleached	811,000	344,000
(d) Bleached	682,000	575,000
(e) Yarn dyed	395,000	147,000
Woollen dress goods	1,363,000	559,000
Other woollen fabrics	1,136,000	1,056,000
Velveteens, etc.	461,000	249,000
Embroideries (lace) etc.	434,000	258,000
Flax articles (sheets, tablecloths, etc.)	787,000	616,000
Flax fabrics	817,000	475,000
Stockings	364,000	775,000
Cotton yarns	704,000	......
Mercerized cottons	393,000	229,000
Linen thread	310,000	224,000
Cotton clothing	269,000	243,000
Blankets	250,000	149,000
Miscellaneous items*	219,000	196,000
Total	14,838,000	10,765,000

*Clothing (n.o.p.), felt, jute fabrics, rovings, bobinette, typewriter ribbon material.

In some cases the increase in dollar value is not large due to a sharp drop in unit prices in the interim. A striking example of this is cotton fabrics of various kinds which show a gain of 44% on the basis of dollar value, but a gain of almost 80% in the number of pounds of fabric imported. Even more striking gains are shown for volume of imports of tweeds, overcoating and woollen and worsted cloths and serges.

Stocking Imports Drop

The only textile item to show a decline, namely, purchases of socks and stockings, reflects the imposition of high tariffs by the Canadian Government to curb imports following Britain's departure from the gold standard in 1931. Since that time (or shortly afterward) Canadian purchases of socks and stockings have dropped to a fraction of their former figure, the demand having been met by sharply-increased Canadian production.

One final point of interest regarding textiles is that textile purchases now represent 33% of our total import trade from the United Kingdom. This proportion has risen from 28% in 1932. In the last fiscal year, textiles constituted the most important single item of trade, being almost double in value of the next important group, namely, iron and steel.

Iron and Steel Imports

Iron and steel imports have received a very important fillip of any group affected by the Ottawa agreements. Back in 1932 our total imports from the United Kingdom amounted to but $13.4 millions. By 1936 they had increased almost 50% to $20.5 millions, shown by the following table:

Major Iron and Steel Imports from U. K. Affected by Ottawa Agreement

	1935-36 $	1931-32 $
Plates and sheets	10,623,000	5,477,000
Tin plate	7,512,000	3,073,000
Wire and manuf.	1,057,000	794,000
Cutlery	926,000	679,000
Bars, rails, etc.	586,000	433,000
Structural iron & steel	502,000	346,000
Automobiles	353,000	339,000
Tools, etc.	346,000	186,000
Machinery	550,000	331,000
Band & hoop iron	251,000	65,000
Automobile parts	126,000	41,000
Forgings	105,000	......
	22,937,000	12,064,000

The bulk of this trade expansion has been due to spectacular growth in our purchases of tin plate and of plates and sheets. The former has considerably more than doubled on a dollars and cents basis, while the gain in the latter has been almost as great.

Progress has been made in a score of smaller items which, although they do not loom large as yet, nevertheless show that Britain has in many cases doubled the volume of its business since signing the Ottawa pact. A case in point is automobile parts which enter the Canadian market free against a U. S. A. tariff of 20%. Admittedly British manufacturers have merely scratched this market but at least they have trebled their sales over the $41,000 shown in the fiscal year 1932. Similarly, sales of farm implements and machinery have doubled, as have also sales of tools, both hand and machine.

Other important items which loom large in total figures are anthracite coal which now enjoys almost double the market of pre-Ottawa days; vegetable oils (chiefly peanut and cotton seed oil) which last year entered in more than 4 times the volume of 1931-32. Unmanufactured leather sales have increased 2½ times on a dollar basis; aluminum and its products have gained more than 3 times.

Case of Chemicals

One important group which attained much prominence at the Empire conference is chemicals. Under the Ottawa agreement no less than 45 of the 220 items specifically mentioned were chemicals. Yet despite this wide list of concessions and despite the fact that dollar value of trade since 1932 has increased by 70%, British sales seem to have made relatively little headway with U. S. and foreign sales.

This particular example of what has happened in the chemical industry serves to illustrate a major bone of contention as to Britain's position in the Canadian market. A glance at the accompanying chart shows the reason why the United Kingdom continues to cast covetous eyes at the Canadian market. The big money-bag at the top depicting Canada's purchases from the United States is, even after 4 years of Ottawa agreements, almost 3 times the size of the bag representing our purchases from the United Kingdom. Thus when British industrialists and trade officials come to bargain for a new agreement they continue to urge more and greater opportunities for themselves in wresting this big trade prize from our American cousins; and that most British trade gains look puny when compared with the big purchases we continue to make from the U. S. A.

Take the case of analine dyes. In the fiscal year 1931-32 Britain's sales of analine dyes to Canada were valued at $163,000, which was 8% of our total imports in that year. By 1936 our purchases from the U. K. had increased to $357,000, but this still represented only 10% of our total purchases. In short, despite free entry for their products and a 10% rate against imports from Germany and the United States, British manufacturers in 4 years had made very little progress toward increasing their share of the total market.

Pros and Cons

Two important viewpoints pro and con this discussion are worthy of mention. On the one hand, British manufacturers apparently incline to the view that of the 220 items on which Canada granted concessions to the U. K., a great number of these were merely "padding" and that prospects of increased sales of these items were never very great as far as Great Britain was concerned. For this reason (it is said) British manufacturers continue to press for greater preference on certain specific major items (particularly textiles) where they feel the Canadian market offers real scope for sales.

This contention, naturally, meets opposition in Canada since many of the items on which Britain seeks continued or larger preference are items where Canada is building or has built some volume of production. Canadians feel, therefore, that Britain should show more zeal in cultivating the Canadian market for scores of products on which she already has a preference or free entry rather than press for greater benefit to compete with established Canadian industry.

An added point of contention in certain quarters in Canada is that Britain has failed to take advantage of some of these preferences because of the operation of cartels and similar restrictive agreements which prevent Great Britain from entering the Canadian market despite a preferential rate in her favor.

"Frozen Margin" Controversy

Apart from discussion on specific items of trade, there were several vital principles laid down in the Ottawa agreements by Canada in respect to treatment of British goods. Of wide importance is the much-discussed "frozen margin" clause.

This was the stipulation covering the 220 items of Schedule E, that nothing should be done by Canada to reduce the margin of preference granted Great Britain by this schedule. In other words, while Canada was at liberty to reduce either the British preference or to increase her intermediate and general tariff rate she could not lower these intermediate or general rates without a corresponding cut in the British preference. Where British goods entered free under the Ottawa agreement there could be no lowering whatever of the intermediate or general rate.

Possible Outcome

After 4 years of experience, Canada now feels that this clause has hindered her ability to make satisfactory trade agreements with other countries and she is urging removal of it in the next agreement. Great Britain, on the other hand, is believed to be clinging to the principle tenaciously and insisting that in addition to specific rates of duty she must be guaranteed a specific margin of preference as was the case at Ottawa.

Just what the outcome will be, remains to be seen, but present indications point to the possibility that Britain may yield the principle in a general way as long as she can retain it on certain important commodities which loom large in trade relations between the 2 countries. One complication is the fact that Canada is believed to be seeking similar treatment in respect of some of the exports to United Kingdom.

Canada's Tariff Board

Another vital stone in the Ottawa arch was the formation of a Canadian Tariff Board and the specific guidance given to it in Article 11 that "protective duties shall not exceed such a level as will give U. K. producers full opportunity of reasonable competition on the basis of the relative cost of economical and efficient production, provided that in the application of such principle special consideration shall be given to the case of industries not fully established."

Respecting the Tariff Board, recent opinion in Great Britain tends to the view that the existing set-up in Canada has done a good job. At first there was much ill-feeling in Britain concerning this board and particularly concerning the length of time it took to get under way and, subsequently, to reach its decisions. This viewpoint seems to have changed in the last year or so and instead it seems to be accepted that the Tariff Board in Canada has done as good a job as possible with the tools at hand.

Failure of Scientific Tariff

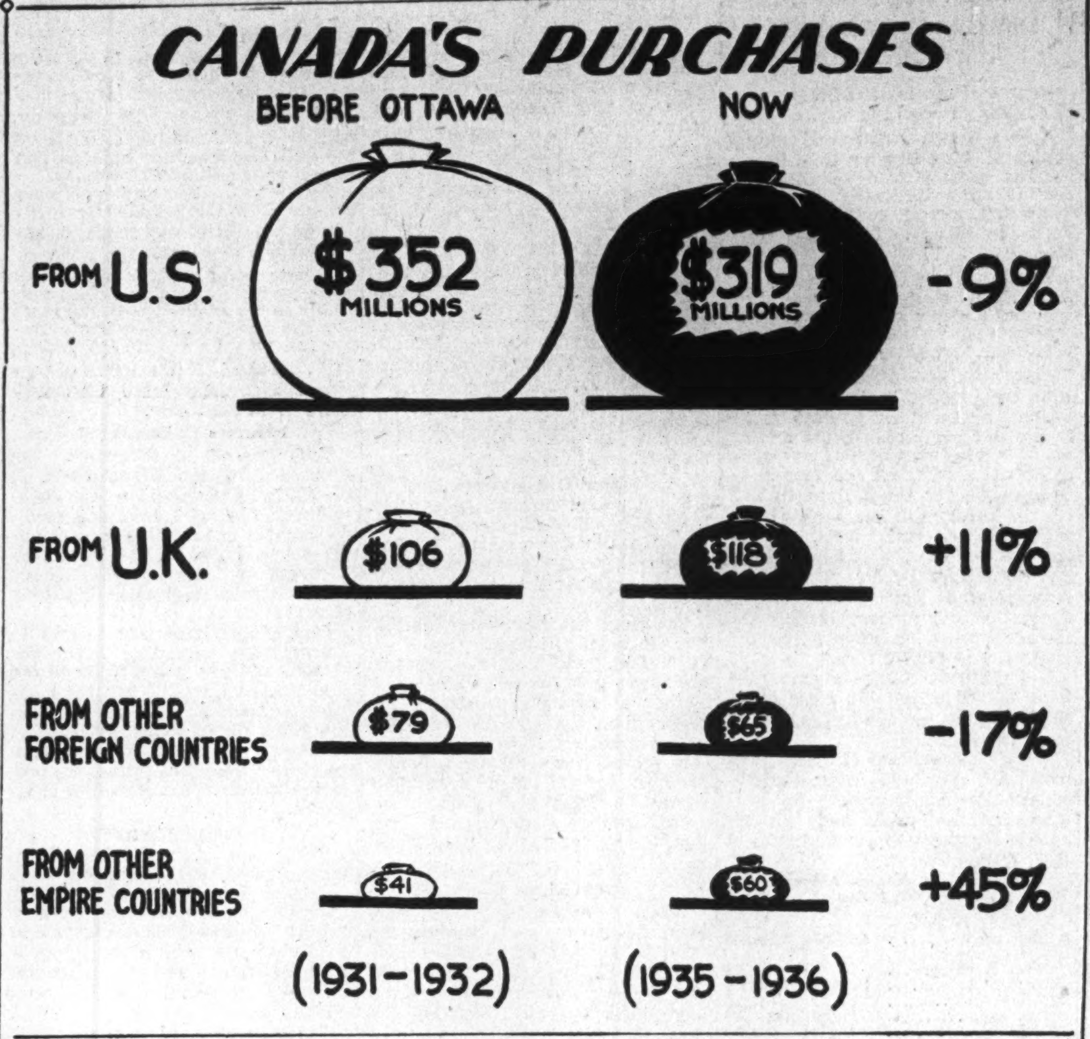
One of these tools, as already stated, was Article 11. This clause which attempted to adjust tariffs on the basis of proportionate cost has come in for fairly general condemnation and it seems unlikely that any attempt will be made to revive it in a future agreement; certainly not in its present form.

If anything is substituted it will probably deal with a view to speeding-up decisions and procedure before the Tariff Board thus removing a major source of complaint against that body.

Most observers seem in agreement that apart from industries whose entire output is for the time being geared to rearmament programmes, the British manufacturer on the whole is more keenly interested in the Canadian market than at any previous time. In part this interest has been fostered by specific concessions granted at Ottawa and in part by the general atmosphere toward increased Empire trade.

Britain apparently sees her biggest opportunity in Canada in the textile field, followed by iron and steel (including all kinds of machinery); then chemicals, followed by paint, oils and varnishes and pharmaceutics.

That she has undoubted opportunities in the Canadian market is indicated by the fact that in 1936 no less than 52.5% of her total imports into Canada entered duty free. This is exactly double the proportion of 4 years ago and 3 times the proportion of the fiscal years 1925 and 1927.



Canada's U.K. Imports Affected by Ottawa Pact

	1935-1936 $	1931-1932 $
Textiles, etc.*	14,838,000	10,765,000
Alcoholic spirits	†6,164,000	21,160,000
Plates & sheets	10,623,000	5,477,000
Anthracite coal	7,707,000	5,094,000
Tin plate	7,512,000	3,073,000
Vegetable oils	4,529,000	1,039,000
Machinery, tools, wire & other iron & steel items*	4,802,000	3,514,000
China, earthenware, etc.	2,648,000	2,566,000
Books, printed matter	2,155,000	2,331,000
Chemicals	1,988,000	1,174,000
Aluminum products	1,389,000	425,000
Leather (unmanuf.)	1,140,000	472,000
Plate & window glass, etc.	695,000	684,000
Tobacco (manuf.)	314,000	515,000
Surgical instruments	302,000	51,000
Fishing tackle	124,000	89,000
Bathtubs	45,000	354,000
Electric generators	213,000	......
Telephone & Telegraph app.	93,000	480,000
Radios	78,000	66,000
Storage batteries	48,000	420,000
Copper rollers	55,000	40,000
	67,462,000	59,789,000

* For details see separate table.

† To which should be added $10 millions for comparison with next column. This represents amount dropped from trade returns for 1936 by exclusion of excise duty on distilled spirits as from April 1, 1935.

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